

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

OF THE
CITY OF SIOUX CITY, IOWA

FOR THE YEAR ENDED JUNE 30, 2009

PREPARED BY

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

CITY OF SIOUX CITY, IOWA

INTRODUCTORY SECTION

**CITY OF SIOUX CITY, IOWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2009**

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THE COVER

This year's cover portrays a beautiful photograph of the Roth Fountain taken by photographer Jerry Pospeshil.

The Roth Fountain was donated to the Sioux City Community by Eldon and Regina Roth, owners of Beef Products, Inc. The fountain features four terra cotta steers' heads and four floral panels, each weighing 150 pounds, which once adorned Sioux City's historic Livestock Exchange Building, 40 feet in the air before the building was demolished. The four-sided fountain is 16-feet tall with a 7-inch deep hexagonal-shaped basin that is 32 feet in diameter and depicts a mosaic pattern in several shades of green that replicates the balustrade in the Livestock Exchange Building. Water flows through the steers' mouths and falls to the basin below, while sixteen water jets shoot water into the air, all illuminated with fiber-optic lighting. The fountain sits on a cobblestone granite plinth with four lighted pylons that surround the fountain. A bronze plaque on one pylon gives historical information about the Stockyards, while a bronze plaque on a second pylon displays information about the Roths.

The Roth Fountain designers, Steve Blenderman and Kirk Hoefling, received the top award in the 2006 Masonry Institute of Iowa contest. The more than 7,500 tapestry bricks used to construct the fountain resemble and will remind onlookers of the Prairie School design elements as used by architect William L. Steele on both the Livestock Exchange Building, and on the Woodbury County Courthouse located in Sioux City.

The Roth Fountain is located just outside the Promenade Theater along Historic Fourth Street in Downtown Sioux City. The fountain serves as a gathering place throughout the year for several functions such as Fridays on the Promenade and Awesome Biker Nights.

ABOUT SIOUX CITY, IA

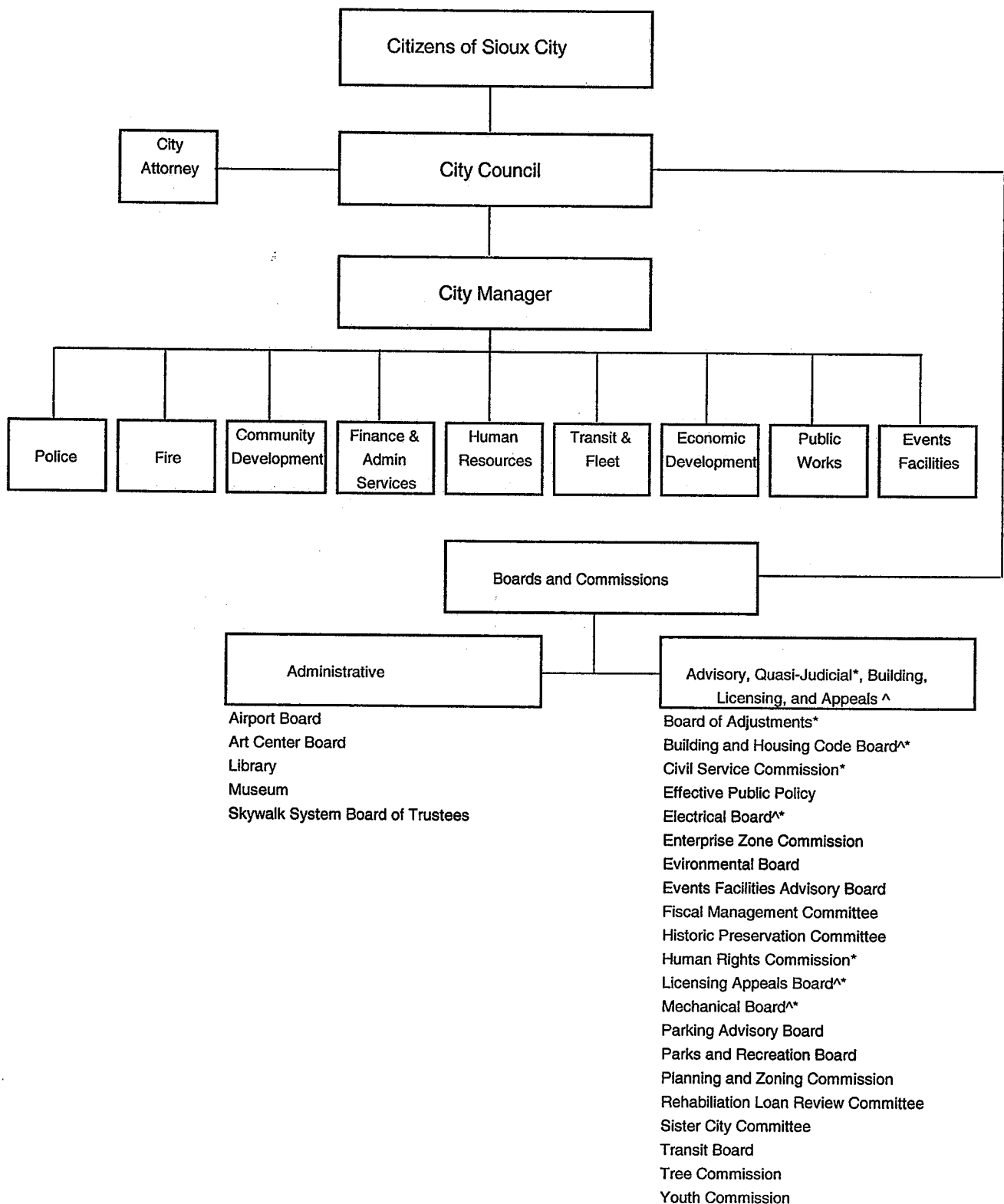
The City of Sioux City, Iowa has had a long and colorful past. Founded in 1854, its roots go back to the days of the early fur traders. Located in the center of America's heartland, Sioux City is located at the confluence of the Missouri and Big Sioux Rivers at the junction of the States of Iowa, Nebraska, and South Dakota. This Tri-State area is known as Siouxland.

Sioux City was a major transportation and marketing center, only behind St. Louis and Chicago. In the 1880's, Sioux City gained the reputation of being a wild, corrupt, and uncivilized place due to the many political scandals and open defiance and conflict over such matters as the temperance laws.

On April 28, 1953, voters of Sioux City approved the City Council and Manager form of government. In 1962, Sioux City was awarded the "All-America City" status by Look Magazine and the National Municipal League. Sioux City received the "All-America City" designation again in 1990.

Sioux City has become known as a regional medical community servicing the area covered by a 50-mile radius. Sioux City boasts of having two hospitals with over 300 beds each. In 1992, the Siouxland Community Health Center was created to serve the needs of area residents that are without health insurance or lack adequate coverage. The Center is funded by a grant from the Federal Government and is supported by several community organizations and agencies. In addition to having the latest in hospital services available, the medical community offers a family practice residency program.

Siouxland is the headquarters to many national companies including Tyson Foods, Soo Honey Association, American PopCorn, Aalfs Manufacturing, Terra Industries, Inc., Wilson Trailer, Inc., BPI Technology, Inc., and Great West Casualty Company.



SCHEDULE OF CITY OFFICIALS

June 30, 2009

Elected Officials

Mayor	Michael Hobart	January 1, 2012
Mayor Pro Tem	James Rixner	January 1, 2010
Council Member	David Ferris	January 1, 2010
Council Member	Brent Hoffman	January 1, 2010
Council Member	Aaron Rochester	January 1, 2012

Term Expires

Council Appointed Officials

City Manager	Paul Eckert	March 22, 2002
City Attorney	Andrew Mai	February 4, 2008
City Clerk	Lisa McCardle	June 24, 2006

Date of Appointment

City Manager and Board Appointed Officials

Art Center Director	Albert Harris	March 25, 2002
Assistant City Manager	Robert Padmore	June 14, 2008
Director of Community Development/Planning	Catherine Olson	March 2, 2009
Director of Human Rights Commission	Karen Mackey	March 22, 2004
Economic Development Director	Martin Dougherty	September 13, 2006
Executive Director Events Facilities	Aran Rush	December 18, 2008
Fire Chief	Thomas Everett	October 13, 2008
Human Resources Director	Bridey Hayes	June 27, 2005
Library Director	Betsy Thompson	June 21, 1995
Museum Director	Steve Hansen	December 17, 2001
Police Chief	Douglas Young	April 1, 2009
Public Works Director	Chris Payer	August 25, 2008
Purchasing/Fleet/Transit/Airport Director	Curt Miller	December 26, 1978

Date of Appointment

SIOUXTM
CITY



Offices of the City Manager & Finance Director

City of Sioux City, Iowa

P O Box 447

Sioux City, IA 51102-0447

November 6, 2009

Honorable Mayor
Members of the City Council
Citizens of Sioux City, IA
City of Sioux City, IA

The comprehensive annual financial report of the City of Sioux City, Iowa for the fiscal year ended June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

Generally Accepted Accounting Principals (GAAP) requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The financial statements and schedules included in this report reflect all the funds of the City in accordance with standards set by the Governmental Accounting Standards Board.

The City has established a comprehensive internal control framework that is designed to compile sufficiently reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Code of Iowa requires an annual audit be made of the books of accounts, financial records and transactions of all administrative departments of the City by the State Auditor or by a Certified Public Accountant selected by the City Council. The audit for fiscal year 2009 was performed by Williams & Company, Certified Public Accountants. Williams & Company concluded that the City of Sioux City's financial statements for year ended June 30, 2009, are fairly presented in conformity with GAAP. Williams & Company's auditor's report is presented in the financial section of this report.

GOVERNMENT PROFILE

The City of Sioux City was incorporated in 1855, and is located in the northwest part of Iowa. The western border is the Missouri River and abuts the states of Nebraska and South Dakota. The City currently occupies a land area of 60 square miles and serves a population of 85,013.

The City is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. The City has operated under the council-manager form of government since 1954. Policy-making and legislative authority are

vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, the City Attorney and the City Treasurer. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms and the mayor is separately elected. The City provides a full range of services.

The following schedule details the available services:

<u>Cultural</u>	<u>Fire Services</u>	<u>Police Services</u>	<u>Utilities</u>
Art Center	Suppression	Patrol	Water
Museum	Prevention	Prevention	Sewer
Library	Training	Investigation	Solid Waste
Events Facilities	Hazardous Materials	Safety	Storm Sewer
<u>Public Works</u>	<u>Community Development</u>	<u>Transportation</u>	
Streets/Bridges/Waters	Planning/Zoning	Airport	
Traffic/Parking	Inspections	Transit	
Engineering	Housing		
Recreation/Aquatics	Economic Development		
Cemeteries	Property		

The State Code of Iowa requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. Any amendments to the City budget must be prepared and adopted in the same manner as the original budget. With the exception of capital improvement projects and encumbrances, all other appropriations, as adopted and amended, lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on the basis consistent with generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of budgetary control is mandated by State law at the program structure level for all funds rather than at the individual fund level. The City maintains control over the program structure by reviewing estimated purchase amounts prior to release of purchase orders. Purchases orders are encumbered and open encumbrances are reported as reservations of fund balances at June 30.

The Finance and Administrative Services Department is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse. The Department also ensures that adequate data is compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City continues to demonstrate its responsibility for sound financial management through the statements and schedules included in the financial section of this report.

ECONOMIC CONDITION

LOCAL ECONOMY

Sioux City lies along the Missouri River on the Iowa side opposite South Dakota and Nebraska. The Sioux City metro area, or "Siouxland", (which includes Sioux City and Sergeant Bluff, Iowa, North Sioux City, South Dakota and South Sioux City, Nebraska), was recently named the top U.S. growth center for food processing by Business Facilities, a national site selection magazine that is distributed to more than 40,000 executives who make decisions about the expansion or relocation of their companies. Siouxland is home to several well-known and prosperous companies that support this industry. These businesses include John Morrell, Sue Bee Honey, and Curly's Foods in Iowa, Tyson Fresh Meats and Beef Products Incorporated in Nebraska, and Interbake Foods in South Dakota. Sioux City was also ranked third nationally for overall growth potential among cities with populations under 200,000. The list, in ranking order, includes Greenville, SC, Winston-Salem, NC, Sioux City, IA, Overland Park, KS and Surprise, AZ.

Sioux City continues to see unprecedented development activity throughout the community. Residential and commercial building permits in fiscal year 2009 totaled \$170,913,133, the second highest amount in the last ten years. Major construction recently completed or still underway totals over \$280 million. The Sunnybrook and Lakeport Commons retail shopping centers continue to see substantial growth with the addition of two new strip centers in Sunnybrook and the opening of new tenants on the outlots of Lakeport Commons. To date, these two developments have generated over \$15,000,000 in new property valuations and have constructed over 1,000,000 square feet in new commercial space. While Sunnybrook and Lakeport Commons have become a destination retail hub for a 50-mile radius, Sioux City's north side has also seen dramatic increases in commercial activity with the opening of several new opportunities along Hamilton Blvd.

City leaders have undertaken many new initiatives to help sustain this remarkable economic growth and ensure a positive outlook for the community's future. For over two years, the City has pushed forward with a major effort with the Southbridge Business Park, an industrial area south of the Sioux Gateway Airport which will eventually encompass up to 10,000 acres of industrial land. The City continues to make sizeable investments in infrastructure and property acquisition to create Iowa's leading destination for large-scale industrial investments. With a focus on such industries as wind energy manufacturing, data centers, advanced manufacturing, and food processing, City leaders plan to capitalize on the transportation and geographic-related assets of the area while demonstrating the benefits of a rich history and robust offering of existing companies to compliment new recruits.

Sioux City has made an effort in the past to create a multi-use and attractive area along the Missouri River, which parallels Interstate 29, the main thoroughfare through which many travelers pass each day. Sioux City's latest riverfront development was completed in fiscal year 2009 with the completion and opening of the Hilton Garden Inn. This project, combined with the adjoining Bev's on the River restaurant and new marina, represents over \$11,500,000 in new value to the community.

LONG-TERM FINANCIAL PLANNING

The Public Works Department is faced with several large projects in the next five years. Since almost 50% (146 miles) of Sioux City's streets are over 60 years old, \$94 million has been budgeted for streets in the capital improvement budget between fiscal years 2010-2014. The \$21.77 million Hoeven Valley project will provide infrastructure necessary to allow the Hoeven Valley area to develop to full City standards as an industrial corridor. The Southbridge Water Plant addition will allow the City to be able to meet the needs of the Southbridge Development in the southern portion of Sioux City, near Sergeant Bluff, Iowa. In addition, the construction of this 10 million gallon a day supplement to our water supply is mandated by the Iowa Department of Natural Resources (IDNR). The Airport is undergoing runway and ramp reconstructions in the next several years estimated at \$17 million.

RELEVANT FINANCIAL POLICIES

The City of Sioux City abides by its adopted debt policy. The policy states:

It shall be the policy of the City of Sioux City, Iowa to maintain a debt policy which will provide for proper planning of capital expenditures, financing requirements, and guidelines for the issuance of various debt instruments. The results help secure favorable rating and competitive lower interest costs on all types of borrowing instruments; thereby holding borrowing costs to a minimum and providing a savings to all taxpayers.

It is the City's desire and direction to assure that such debt obligations are issued and administered in such a fashion as to obtain the best long-term financial advantage to the City and its residents, while making every effort to maintain and improve the City's bond ratings and reputation in the investment community.

The City reviews its debt capacity thoroughly each budget year to ensure that it complies with State law, and is at a level that will allow sufficient development projects in the community, while still able to respond to emergencies or unforeseen opportunities. The City adjusts its borrowings or postpones issuance of debt as necessary to abide by its debt policy. The State debt limit is 5% of assessed value, however the City has self-imposed limit of 70% of debt capacity. If the 70% level will be exceeded, the additional debt issuance is to be tied directly to an Economic Development project which will generate an adequate payment to cover the debt service. The City is currently at about 54% of its debt capacity, with a Moody's debt rating of Aa2 and Standard and Poor's (S&P) rating of AA.

MAJOR INITIATIVES

Sioux City continues to invest heavily in capital improvements and infrastructure rehabilitation. With average capital spending programmed at \$18 million, the City expects to make considerable progress in meeting its infrastructure needs.

In fiscal year 2009 the City spent \$44 million on capital improvement projects. The three largest projects were: Waste Water Treatment Plant, \$16.22 million, Infrastructure Reconstruction \$7.39 million, and Outer Belt/Floyd to Lewis, \$3.14 million.

Major construction projects include the following:

*Waste Water Treatment Plant Rehabilitation - The City plans a \$38 million rehabilitation of its waste water treatment plant in fiscal year 2010. The plant is 45 years old and is in desperate need of improvements. This will result in an increase in operating costs of approximately \$1.4 million per year.

*Outer Belt Drive, Floyd to Lewis - Construction started in 2006 to connect Outer Drive located on the north side of Sioux City to Lewis Boulevard, also known as Highway 75. This project is part of the long range transportation plan and Hoeven Valley Corridor Study.

The City continues to work with the Sioux City Community School District to replace or renovate a number of old and dilapidated schools. Unity Elementary School, built in the fall of 2008, replaced both the Grant and McKinley Elementary Schools. Excluding private schools, Sioux City currently has 19 Elementary Schools, 3 Middle Schools, and 4 High Schools that are supported by the Sioux City Community School District.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. The City of Sioux City, Iowa has received a Certificate of Achievement every year since fiscal year 1984 except for fiscal year 1996 and 1998. We believe that our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate. The fiscal year 1996 report's production was delayed past the submittal deadline because of the City's financial application software change at the beginning of the fiscal year. The fiscal year 1998 report's production was delayed past the submittal deadline because of changes in personnel and software.

Acknowledgment - The preparation and completion of the 2009 Comprehensive Annual Financial Report was made possible by the dedicated service of Finance Division employees. Each member of the Division has our sincere appreciation for the contributions they made toward this report. Sioux City is very fortunate to have such excellent, versatile and dedicated people.

In closing, without the leadership and support of the City Council, the preparation of this report would not have been possible.

Respectfully Submitted,


Paul Eckert,
City Manager


Robert Padmore,
Assistant City Manager
Finance and Administrative Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

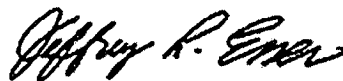
City of Sioux City
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President



Executive Director

CITY OF SIOUX CITY, IOWA

FINANCIAL SECTION



Suite 700 Terra Centre
600 Fourth Street
P.O. Box 298
Sioux City, IA 51102-0298
Phone (712) 252-5337

INDEPENDENT AUDITORS' REPORT

Honorable Mayor,
Members of the City Council
City of Sioux City, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CITY, IOWA (the City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis, OPEB Schedule of Funding Progress and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2009 on our consideration of the City of Sioux City, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Introductory Section, Other Financial Information and Statistical Information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Sioux City, Iowa. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The accompanying combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the accompanying Schedule of Expenditures of Passenger Facility Charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and they are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williams & Company, P.C.
Certified Public Accountants

Sioux City, Iowa
November 6, 2009



Management Discussion and Analysis

June 30, 2009

This discussion and analysis of the City of Sioux City's financial performance provides an overview of the City's financial activities for the fiscal year ending June 30, 2009. We encourage the readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal on page xi and the City's financial statements which follow this report.

Financial Highlights

- The assets of the City of Sioux City exceeded liabilities at June 30, 2009, by \$371,550,866. Of this amount, \$56,643,949 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$6,766,017 during the year. Of this amount the net assets of our Governmental Activities decreased \$2,353,297 and the net assets of our Business-Type Activities increased \$9,119,314.
- The largest factor in the decrease in fund balance was the amount of the extraordinary item, \$14,034,170. In addition, the largest increase was the amount by which capital outlays exceeded depreciation, \$13,281,674.
- The City's long term debt increased \$11,510,351 (7%). Contributing to the increase was the issuance of three series of general obligation bonds totaling \$16,295,000. The bond proceeds were used to fund the fiscal year 2009 Capital Improvement Program. Notes payable increased by \$13,820,768 in the enterprise funds due to additional State Revolving Loans. Outstanding General Obligation debt totals \$99,945,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is, "Is the City of Sioux City in a better financial position at the end of this fiscal year, compared to last year?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private-sector companies. These two statements report the City's net assets, which is the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure are also important in making this determination.

In the Statement of Net Assets and the Statement of Activities, we have divided the City into two kinds of activities:

- **Governmental Activities** - Most of the City's basic services are reported here, such as Police, Fire, Public Works and Parks departments, and General Administration. Property taxes and state and federal grants finance most of these activities.
- **Business-Type Activities** - The City charges fees to customers to cover the cost of these services. Included here are the City Water, Sewer, Solid Waste, Airport and Parking funds.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law or by bond requirements. The City Council also establishes funds to control and manage money for particular purposes (such as construction projects) and to show that it is properly using certain revenues (such as Sales Tax Revenues). The City has the following types of funds:

- **Governmental Funds** - Most of the City's basic services are included in governmental funds, which focus on how money moves into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and basic

services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. We describe the relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following each Governmental Fund financial statement.

- **Proprietary funds** - When the City charges customers for the service it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The major difference between the proprietary funds report and the business-type activities reported in the government-wide statements, is the detail and additional information, such as cash flows, provided in the proprietary funds report.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. The City is the trustee, or fiduciary, for the Woodbury County Information and Communications Commission funds which can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found behind the Fiduciary funds statements.

THE CITY AS A WHOLE

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest part of the City's net assets reflects its investment in capital assets (land, buildings and improvements, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following comparison chart shows the changes in net assets for the years ended June 30, 2009, and 2008:

	General Governmental Activities	
	<u>2009</u>	<u>2008</u>
Current and Other Assets	\$145,794,094	\$140,947,538
Capital Assets	<u>310,238,435</u>	<u>297,580,253</u>
Total Assets	456,032,529	438,527,791
Long-Term Liabilities Outstanding	109,527,810	106,426,316
Other Liabilities	<u>79,079,954</u>	<u>62,323,413</u>
Total Liabilities	188,607,764	168,749,729
Net Assets:		
Invested in Capital Assets, Net of Related Debt	215,118,921	201,725,694
Restricted	10,725,164	21,499,154
Unrestricted	<u>41,580,680</u>	<u>46,553,214</u>
Total Net Assets	<u>\$267,424,765</u>	<u>\$269,778,062</u>

This summary reflects a decrease in total net assets of .87% for the governmental activities and an increase of 9.60% in the business-type activities.

The restricted portion of net assets (2.89%) is subject to external restrictions on how these resources may be used. The remaining balance of unrestricted net assets (\$56,643,949) may be used to meet any ongoing obligations to citizens and creditors.

The government's net assets increased \$6.8 million during the current fiscal year. This change in net assets can be attributed to increases in charges for services, operating grants and miscellaneous non-operating revenues resulting from insurance claim settlements from a class-action lawsuit.

Business-Type Activities		Totals	
<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
\$24,213,004	\$24,326,579	\$170,007,098	\$165,274,117
<u>169,625,833</u>	<u>149,551,259</u>	<u>479,864,268</u>	<u>447,131,512</u>
193,838,837	173,877,838	649,871,366	612,405,629
81,898,930	70,088,534	191,426,740	176,514,850
<u>7,813,806</u>	<u>8,782,517</u>	<u>86,893,760</u>	<u>71,105,930</u>
89,712,736	78,871,051	278,320,500	247,620,780
89,062,832	81,233,654	304,181,753	282,959,348
---	486,158	10,725,164	21,985,312
<u>15,063,269</u>	<u>13,286,975</u>	<u>56,643,949</u>	<u>59,840,189</u>
<u>\$104,126,101</u>	<u>\$95,006,787</u>	<u>\$371,550,866</u>	<u>\$364,784,849</u>

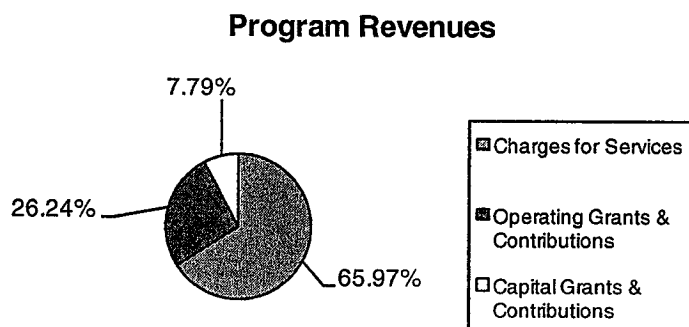
Governmental activities decreased .87% while Business-Type Activities increased 9.6%. Details of the changes in net assets are shown as follows:

Revenue Source	General Governmental Activities	
	2009	2008
Program Revenues:		
Charges for Services	\$16,144,190	\$19,982,925
Operating Grants and Contributions	18,059,563	19,163,094
Capital Grants and Contributions	6,050,466	4,714,416
Total Program Revenues	40,254,219	43,860,435
General Revenues :		
Property Taxes	50,788,744	47,592,848
Franchise Taxes	2,586,811	2,793,497
Hotel-Motel Taxes	1,061,104	951,260
Local Option Sales Taxes	10,992,806	10,521,527
Interest	1,457,756	3,296,165
Revenue from the Sale of Uncapitalized Property	539,534	230,112
Miscellaneous	1,751,700	2,355,707
Net Gain on Sale of Capital Assets	87,064	2,035,150
Total General Revenues	69,265,519	69,776,266
Total Revenues	109,519,738	113,636,701
Expenses:		
Public Safety	31,565,111	30,260,933
Public Works	17,695,921	19,638,707
Culture and Recreation	18,427,540	17,340,040
Community and Economic Development	10,847,635	25,630,391
General Government	12,097,651	13,073,878
Debt Service	6,309,941	6,490,067
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skywalk	---	---
Total Expenses	96,943,799	112,434,016
Increase in Net Assets Before Extraordinary Items and Transfers	12,575,939	1,202,685
Extraordinary Items	(14,034,170)	---
Transfers	(895,066)	(758,753)
Increase (Decrease) in Net Assets	(2,353,297)	443,932
Net Assets-Beginning of Year before Prior Period Adjustment 6/30/08	269,778,062	269,334,130
Prior Period Adjustment	---	---
Net Assets -Beginning of Year After Prior Period Adjustment 6/30/08	269,778,062	269,334,130
Net Assets 6/30/09	\$267,424,765	\$269,778,062

Business-Type Activities		Totals	
2009	2008	2009	2008
\$35,114,763	\$32,438,340	\$51,258,953	\$52,421,265
2,329,283	1,062,111	20,388,846	20,225,205
---	---	6,050,466	4,714,416
<u>37,444,046</u>	<u>33,500,451</u>	<u>77,698,265</u>	<u>77,360,886</u>
---	---	50,788,744	47,592,848
---	---	2,586,811	2,793,497
---	---	1,061,104	951,260
---	---	10,992,806	10,521,527
497,295	735,839	1,955,051	4,032,004
---	---	539,534	230,112
1,670,839	250,220	3,422,539	2,605,927
8,624	65,356	95,688	2,100,506
<u>2,176,758</u>	<u>1,051,415</u>	<u>71,442,277</u>	<u>70,827,681</u>
<u>39,620,804</u>	<u>34,551,866</u>	<u>149,140,542</u>	<u>148,188,567</u>
---	---	31,565,111	30,260,933
---	---	17,695,921	19,638,707
---	---	18,427,540	17,340,040
---	---	10,847,635	25,630,391
---	---	12,097,651	13,073,878
---	---	6,309,941	6,490,067
3,624,184	3,613,044	3,624,184	3,613,044
9,046,687	8,878,234	9,046,687	8,878,234
12,493,265	12,815,794	12,493,265	12,815,794
4,242,223	4,721,183	4,242,223	4,721,183
1,671,573	1,425,352	1,671,573	1,425,352
318,624	303,892	318,624	303,892
<u>31,396,556</u>	<u>31,757,499</u>	<u>128,340,355</u>	<u>144,191,515</u>
<u>8,224,248</u>	<u>2,794,367</u>	<u>20,800,187</u>	<u>3,997,052</u>
---	---	(14,034,170)	---
895,066	758,753	---	---
<u>9,119,314</u>	<u>3,553,120</u>	<u>6,766,017</u>	<u>3,997,052</u>
95,006,787	91,559,527	364,784,849	360,893,657
---	(105,860)	---	(105,860)
<u>95,006,787</u>	<u>91,453,667</u>	<u>364,784,849</u>	<u>360,787,797</u>
<u>\$104,126,101</u>	<u>\$95,006,787</u>	<u>\$371,550,866</u>	<u>\$364,784,849</u>

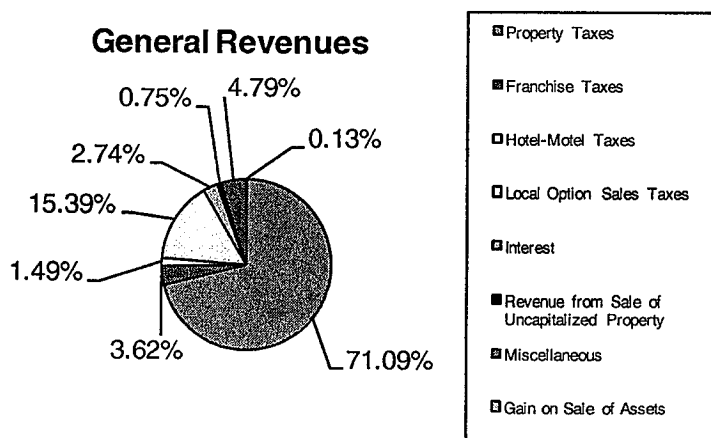
Program revenues totaled \$77,698,265 for fiscal year 2009. Governmental Activities provided \$40,254,219 and Business-Type Activities provided \$37,444,046. Revenue collected for Charges for Services during fiscal year 2009 was \$51,258,953, accounting for approximately 66% of the total program revenues. In the Business-Type funds, revenues from charges for services increased \$2,676,423 as a result of a 20.4% rate increase in the Sewer System and a 6.95% rate increase in the Water System.

The following chart breaks down program revenues by source:

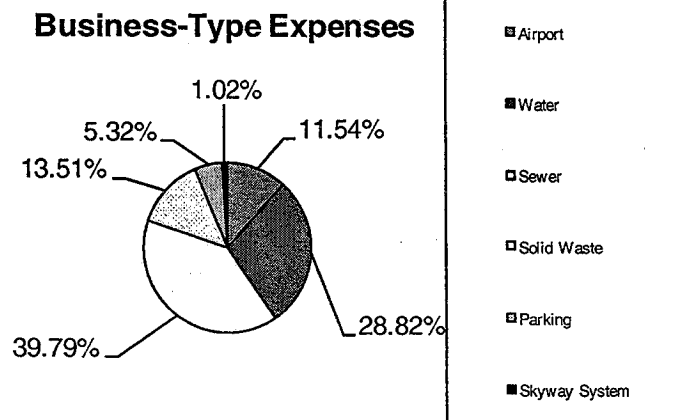
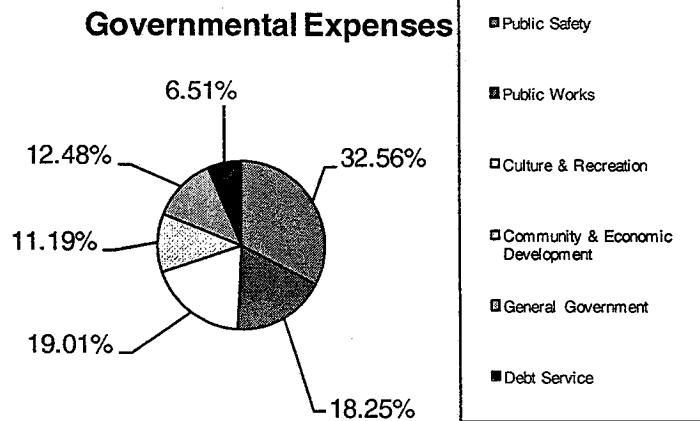


General Revenues for fiscal year 2009 totaled \$71,442,277. Governmental Activities provided \$69,265,519 and Business-Type Activities provided \$2,176,758. Property tax revenues for fiscal year 2009 totaled \$50,788,744, accounting for 71.09% of General Revenues. The General Revenues with significant increases were property taxes \$3.2 million due to an increase in the tax base, and miscellaneous revenue of \$816,000 as a result of an insurance settlement from a class-action lawsuit. Significant decreases include interest income of \$2.1 million due to economic conditions, and a decrease of \$2.0 million in net gains on the sale of capital assets, since in fiscal year 2008 the sale of land resulted in a \$2 million net gain.

The following chart breaks down General Revenues by source:



Expenses for fiscal year 2009 totaled \$128,340,355. Expenses for General Governmental Activities totaled \$96,943,799 accounting for 76% of total expenses. Business-Type Activity expenses totaled \$31,396,556 for 24% of the total. In fiscal year 2009, the capital projects decreased by \$1.9 million in the Public Works program area due to fewer capital grants related to street projects. The decrease of \$14.8 million in Community and Economic Development reflects the decrease in the number of capital projects in fiscal year 2009. Business-type expenses had no significant increases or decreases. The expenses are shown below:



The following table shows the activities included within each program level:

Program Level	Activity
Public Safety	Individual and Community Protection, Physical Health
Public Works	Public Service, Utilities, Transportation
Culture and Recreation	Education and Culture
Community and Economic Development	Housing and Community Development
General Government	Policy and Administration
Debt Service	Debt

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers. For example, for Public Safety, the City spent \$31,565,111 and received \$2,651,834 in revenue thus leaving a cost to the taxpayer of \$28,913,277 to be funded by various methods. This format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

Public Safety	Fines, COPS Grants, Block Grants
Community and Economic Development	HUD Grants, Building Permits, Licenses
General Government	Internal Service – Charges for Services

The total cost of governmental activities this year was \$96,943,799. Of these costs, \$16,144,190 was paid by those who directly benefited from the programs. Costs paid by other governments and organizations that subsidized certain programs with grants and contributions were \$24,110,029, leaving a Net Expense of \$56,689,580 for governmental activities. These expenses were covered with tax revenues, interest and other general revenues. The Statement of Activities in the financial section provides further detail. The Net (Expense) Revenue by governmental activity is shown in the following table:

<u>Functions/Programs</u>	<u>Net (Expense) Revenue</u>	
	<u>FY09</u>	<u>FY08</u>
<u>Governmental Activities</u>		
Public Safety	\$(28,913,277)	\$(28,437,196)
Public Works	469,348	(2,796,514)
Culture & Recreation	(12,965,357)	(11,874,466)
Community & Economic Development	(2,394,459)	(15,814,372)
General Government	(6,643,928)	(3,230,646)
Debt Service	(6,241,907)	(6,420,387)
Total Net (Expense) Revenue		
Government Activities	(56,689,580)	(68,573,581)
General Revenues, Extraordinary Items & Transfers	54,336,283	69,017,513
Change in Net Assets	<u>\$(2,353,297)</u>	<u>\$443,932</u>

Total resources available during the year to finance governmental operations were \$364,368,564, consisting of Net Assets at July 1, 2008 of \$269,778,062, Program Revenues of \$40,254,219, General Revenues of \$55,231,349 and Transfers of \$(895,066). Total Governmental Activities during the year expended \$96,943,799; thus, Net Assets were decreased by \$2,353,297 to \$267,424,765.

Business-Type Activities

Business-type activities increased the City's net assets by \$9,119,314.

The cost of all Proprietary activities this year was \$31,396,556. As shown in the Statement of Activities, the amounts paid by users of the systems was \$35,114,763, and \$2,329,283 was funded from grants and contributions, resulting in total net revenue for business-type activities of \$6,047,490. As discussed in the revenue section, the Sewer System had a 20.4% sewer rate increase in fiscal year 2009, thus the net increase in the Sewer System. The Water System also had a rate increase of 6.95% with expense increases staying relatively low which is reflected in the net increase in the Water System. The Net (Expense) Revenue by Business-Type Activity is shown in the following table:

<u>Business-Type Activities</u>	<u>Net (Expense) Revenue</u>	
	<u>FY09</u>	<u>FY08</u>
Airport System	\$179,206	\$(846,452)
Water System	1,944,030	1,430,321
Sewer System	3,984,965	1,390,378
Solid Waste System	391,849	36,002
Parking	(452,560)	(267,297)
Total Net (Expense) Revenue Business-Type Activities	6,047,490	1,742,952
General Revenues & Transfers	3,071,824	1,810,168
Change in Net Assets	\$9,119,314	\$3,553,120

Total resources available during the year to finance Proprietary Fund activities were \$135,522,657, consisting of Restated Net Assets at July 1, 2008 of \$95,006,787, program revenues of \$37,444,046, General Revenues of \$2,176,758, and transfers of \$895,066. Total Proprietary Fund Activities during the year expended \$31,396,556, thus Net Assets were increased by \$9,119,314 to \$104,126,101.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$71,586,786 (19.9% unreserved), a total increase of \$455,890 in comparison with the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$8,152,512 is 19% of expenditures, which is at the upper end of the City's goal of a fund balance between 12% and 20% of expenditures. During the year, revenues exceeded expenditures in the general fund by \$86,540, a decrease of \$422,329 from fiscal year 2008. The net change in the fund balance was due to several factors. Total revenue decreased by \$1.8 million due mainly to economic conditions that negatively affected interest income. Public Safety and Culture and Recreation expenses increased from fiscal year 2008 while Public Works and Community and Economic Development decreased. Total expenditures increased by \$1 million, or 2% due to general economic price increases. The significant fluctuations in the program areas as compared to the previous fiscal year are due to allocation adjustments that match the expenses with the program area in which they were adopted in the budget.

The Debt Service Fund is used to account for general long-term debt principal, interest and related costs. The fiscal year 2009 fund balance of \$4,134,813 increased \$677,725 from the fiscal year 2008 fund balance. The net increase in the fund balance is the result of a higher debt service tax rate. The majority (94.73%) of the fund balance is reserved for debt service, while the remainder is reserved for long-term notes receivable and encumbrances.

The Capital Improvements Fund accounts for all transactions relating to the acquisition or construction of major capital facilities excluding those financed by Proprietary Funds and Fiduciary Funds. The fund balance increased by \$1,548,110 from fiscal year 2008. Intergovernmental revenue increased \$948,540 because of several large grant-funded capital projects. Capital expenditures decreased \$8.99 million, due to the timing of construction projects in which funds are borrowed in one year and spent in another fiscal year.

The Enterprise Funds, which account for operations that are similar to a private business, had total net assets increase by \$9,119,314 in fiscal year 2009. Although the Airport fund had a higher operating loss than in fiscal year 2008, more Federal Aviation Administration (FAA) Capital Assistance funds were drawn upon, resulting in a positive change in assets. An increase in charges for services because of a 6.95% rate increase, combined with no relative increase in expenses, resulted in a \$3.8 million change in net assets for the Water System. The Sewer System was similar to the Water System with a 20.4% rate increase and a minimal expense increase which resulted in a \$4.3 million change in net assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2009 original (adopted) General Fund amount of \$51,505,166 to the final budget amount of \$66,749,051, shows a net increase of \$15,243,885.

<u>Original Budget</u>	<u>Encumbrances</u>	<u>Beginning Balance</u>	<u>Supplemental Changes</u>	<u>Final Budget</u>
\$51,505,166	\$237,658	\$51,742,824	\$15,006,227	\$66,749,051

The following table shows the General Fund budget variances by program structure:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Amended Budget</u>
<u>EXPENDITURES</u>			
Public Safety	\$33,178,285	\$29,942,179	\$(3,236,106)
Public Works	2,139,632	1,521,684	(617,948)
Culture & Recreation	14,351,147	7,743,616	(6,607,531)
Community & Economic Development	1,383,698	1,189,651	(194,047)
General Government	9,245,959	2,727,934	(6,518,025)
	60,298,721	43,125,064	(17,173,657)
Transfers Out	6,450,330	5,368,400	(1,081,930)
Total Expenditures	<u>\$66,749,051</u>	<u>\$48,493,464</u>	<u>\$(18,255,587)</u>

The City complied with statutory requirements and did not exceed the budget by program structure.

In fiscal year 2009, appropriations increased \$15,243,885 between the original budget and the final amended budget. Public Safety increased \$5 million, Culture and Recreation increased \$7 million, and General Government increased \$3 million all due to more grants and capital.

CAPITAL ASSETS

The City's investment in capital assets, including land, building and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of June 30, 2009 was \$304,181,753 (net of accumulated depreciation and outstanding financings). This is an increase of \$21,222,405 (7.50%) from fiscal year 2008. The gross additions to capital assets for fiscal year 2009 are as follows:

	<u>General Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$1,627,086	\$768,330	\$ ---	\$1,481,710
Infrastructure	7,079,470	8,551,977	---	---
Buildings	---	902,535	---	---
Improvements-Other than Buildings	4,083,229	2,989,567	11,829,503	5,684,421
Equipment	2,509,406	2,676,946	37,268	221,256
Construction in Progress	13,260,993	11,726,561	22,248,685	32,248,209
Total Gross Additions	<u>\$28,560,184</u>	<u>\$27,615,916</u>	<u>\$34,115,456</u>	<u>\$39,635,596</u>

	Totals	
	2009	2008
Land	\$1,627,086	\$2,250,040
Infrastructure	7,079,470	8,551,977
Buildings	- - -	902,535
Improvements-Other than Buildings	15,912,732	8,673,988
Equipment	2,546,674	2,898,202
Construction in Progress	35,509,678	43,974,770
Total Gross Additions	<u>\$62,675,640</u>	<u>\$67,251,512</u>

Construction in progress was the major capital outlay for Governmental Activities in fiscal year 2009. These outlays included: The Outer Belt Drive Reconstruction, Van Meter Road, Logan Street Replacement, and Opening 4th Street Plaza. The majority of expenditures in improvements included: South Lewis Blvd Reconstruction, and Opening 4th Street Plaza. The majority of expenditures for construction in progress were incurred by the Capital Improvement Fund. Land was acquired for the following projects: Wesley Parkway, Military Road, Southbridge Development, Kings Highway Bridge Relocation, Perry Creek Flood Control, and the Gospel Mission. The majority of the equipment acquired was licensed vehicles and contractor's mobile by the City's Central Maintenance Garage fund which is an Internal Service Fund.

For Business-Type Activities, additions to construction in progress of \$22,248,685 were for the Waste Water Treatment Plant Rehabilitation, the Airport North Ramp Reconstruction, and the Airport Terminal Renovation. Improvements included Military Road Water Main, Annual Infrastructure Reconstruction, West 19th/Isabella/Center Street, and Airport Projects which included Taxiway C, and the Apron Reconstructions of the North and South Ramps.

See Note 4 to the financial statements for more information on the City's capital assets.

DEBT ADMINISTRATION

At year end, the City had \$175,682,515 of debt outstanding. This is an increase of \$11,510,351 from the prior year. Of this amount \$95,104,514 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds). The remainder is to be repaid from our Municipal Enterprises.

Debt administration is rather conservative since all City general obligation debt is to be repaid within the next 12 years. This rapid repayment when combined with the use of Tax Increment Financing and Local Option Sales Tax Revenue has allowed the City to maintain our Aa bond rating. This rating is the second highest possible rating and reflects well on our community.

The City continues to operate well under State debt capacity limitations. The State limits the amount of General Obligation Debt outstanding to 5% of the assessed value of all taxable property in the community. The City's debt capacity is \$179,442,994. With outstanding general obligation debt applicable to this limit of \$96,043,190, the City is utilizing 53.5% of this limit. More detailed information on debt administration is provided in Note 6 of the financial statements.

ECONOMIC FACTORS

Sioux City faces many economic challenges that many other municipalities across Iowa must tackle each year when developing the budget. Iowa's rollback factor is one major factor. This adjustment to the assessed valuation can substantially lower the City's tax revenue. This effect combined with increased costs for supplies and services can often limit the City's ability to effectively meet the needs of its citizens. Road maintenance is one major portion of those services that Sioux City must provide that is proving much more difficult since State funding for road use cannot entirely fund those costs. Another issue is the salary and benefits obligations, which include the City's group health insurance. These costs have increased substantially over the last few years and can be expected to continue in that direction.

The City has also recognized the need to rehabilitate one major service that it provides. The waste water treatment plant has exceeded its useful life and needs many updates to be able to function as it should. Therefore, the City is upgrading the plant to meet several regulatory requirements. The large and costly changes are estimated at \$89 million. As mentioned previously, the City has increased its sewer rates in an effort to be able to pay for these upgrades. Another factor that is to the City's advantage is the use of the State Revolving Loan Program. This program provides the City with 3% loans over 30 years to finance the City's sewer improvements. While the debt still needs to be repaid, this opportunity to do necessary work at low interest rates is unlikely to be repeated often and should be utilized.

The City is doing its best to bring new growth to the area even when economic conditions are unstable. Utilization of its Tax Increment Financing (TIF), namely the Donner area, has allowed the City to develop into the southern portion of the City's boundaries, appropriately termed "Southbridge". The City plans to invest heavily in infrastructure in this area which is near the City's airport. The site will be ready for an industrial-type company that is looking to easily move into the Sioux City area, thus ultimately expanding Sioux City's tax base.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the City Finance and Administrative Services Department at 712-279-6207.

CITY OF SIOUX CITY, IOWA
BASIC FINANCIAL STATEMENTS

CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 63,098,391	\$ 15,133,781	\$ 78,232,172
Investment in Joint Venture	236,635	---	236,635
Accounts Receivable	1,511,468	5,854,917	7,366,385
Accrued Interest Receivable	406,625	30,403	437,028
Notes Receivable	17,421,343	403,062	17,824,405
Special Assessments	1,171,997	---	1,171,997
Due from Other Governments	61,233,697	2,532,094	63,765,791
Internal Balances	(258,747)	258,747	---
Inventories, at Cost	418,840	---	418,840
Prepaid Items	553,845	---	553,845
Capital Assets not being depreciated:			
Land	40,690,893	4,142,880	44,833,773
Construction in Progress	53,039,610	78,896,274	131,935,884
Capital Assets net of accumulated depreciation:			
Infrastructure	96,582,839	---	96,582,839
Buildings	66,135,468	7,506,863	73,642,331
Buildings under Capital Lease	3,453,625	---	3,453,625
Improvements other than buildings	40,987,304	77,605,068	118,592,372
Equipment	9,348,696	1,474,748	10,823,444
Total Assets	456,032,529	193,838,837	649,871,366
LIABILITIES			
Accounts Payable	3,112,240	822,510	3,934,750
Accrued Wages	1,467,038	134,119	1,601,157
Accrued Interest Payable	299,974	183,598	483,572
Contracts and Retainers Payable	5,203,982	5,189,219	10,393,201
Due to Other Governments	16,844	261,031	277,875
Estimated Liability for Damage Claims	18,446,877	---	18,446,877
Matured Bonds and Coupons Payable	1,740	13,719	15,459
Deferred Revenue	50,531,259	1,209,610	51,740,869
Noncurrent Liabilities:			
Due within one year			
General Obligation Bonds Payable	14,993,323	1,041,677	16,035,000
Unamortized Bond Charges	(1,166)	(52,047)	(53,213)
Notes Payable	5,000	3,665,000	3,670,000
Compensated Absences	2,129,444	231,604	2,361,048
Estimated Liability for Landfill Closure	---	64,122	64,122
Due in more than one year			
General Obligation Bonds Payable	80,111,191	3,798,809	83,910,000
Unamortized Bond Charges	317,711	(916,456)	(598,745)
Notes Payable	10,000	72,057,515	72,067,515
Estimated Post Retirement Benefit Obligation	10,641,835	---	10,641,835
Compensated Absences	1,320,472	194,881	1,515,353
Estimated Liability for Landfill Closure	---	1,813,825	1,813,825
Total Liabilities	188,607,764	89,712,736	278,320,500
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	215,118,921	89,062,832	304,181,753
Restricted for:			
Capital Improvements	4,854,761	---	4,854,761
Debt Service	4,889,636	---	4,889,636
Endowment, non-expendable	980,767	---	980,767
Total Restricted	10,725,164	---	10,725,164
Unrestricted	41,580,680	15,063,269	56,643,949
Total Net Assets	\$ 267,424,765	\$ 104,126,101	\$ 371,550,866

The notes to the financial statements are an integral part of this statement.

**CITY OF SIOUX CITY, IOWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Public Safety	\$ 31,565,111	\$ 1,034,208	\$ 1,612,877	\$ 4,749
Public Works	17,695,921	4,245,184	8,959,046	4,961,039
Culture and Recreation	18,427,540	5,295,764	166,419	---
Community and Economic Development	10,847,635	212,204	7,224,328	1,016,644
General Government	12,097,651	5,356,830	96,893	---
Debt Service	6,309,941	---	---	68,034
Total Governmental Activities	96,943,799	16,144,190	18,059,563	6,050,466
Business-Type Activities:				
Airport	3,624,184	1,582,967	2,220,423	---
Water	9,046,687	10,990,717	---	---
Sewer	12,493,265	16,372,370	105,860	---
Solid Waste	4,242,223	4,631,072	3,000	---
Parking	1,671,573	1,219,013	---	---
Skyway System	318,624	318,624	---	---
Total Business-Type Activities	31,396,556	35,114,763	2,329,283	---
Total Functions/Programs	\$ 128,340,355	\$ 51,258,953	\$ 20,388,846	\$ 6,050,466

General Revenues:

Property Taxes
Franchise Taxes
Hotel-Motel Taxes
Local Option Sales Taxes
Interest
Revenue from Sale of Uncapitalized Property
Miscellaneous
Net Gain on Sale of Capital Assets
Extraordinary Items

Transfers

Total General Revenues, Extraordinary Items and Transfers
Changes in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

The notes to the financial statements are an integral part of this statement.

EXHIBIT 2

Net (Expenses) Revenues and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (28,913,277)	\$ ---	\$ (28,913,277)
469,348	---	469,348
(12,965,357)	---	(12,965,357)
(2,394,459)	---	(2,394,459)
(6,643,928)	---	(6,643,928)
(6,241,907)	---	(6,241,907)
(56,689,580)	---	(56,689,580)
---	179,206	179,206
---	1,944,030	1,944,030
---	3,984,965	3,984,965
---	391,849	391,849
---	(452,560)	(452,560)
---	---	---
---	6,047,490	6,047,490
<u>\$ (56,689,580)</u>	<u>\$ 6,047,490</u>	<u>\$ (50,642,090)</u>
50,788,744	---	50,788,744
2,586,811	---	2,586,811
1,061,104	---	1,061,104
10,992,806	---	10,992,806
1,457,756	497,295	1,955,051
539,534	---	539,534
1,751,700	1,670,839	3,422,539
87,064	8,624	95,688
(14,034,170)	---	(14,034,170)
(895,066)	895,066	---
54,336,283	3,071,824	57,408,107
(2,353,297)	9,119,314	6,766,017
269,778,062	95,006,787	364,784,849
<u>\$ 267,424,765</u>	<u>\$ 104,126,101</u>	<u>\$ 371,550,866</u>

**CITY OF SIOUX CITY, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

<u>ASSETS</u>	General	Other Employee Benefits	Local Option Sales Tax
Cash and Cash Equivalents	\$ 5,410,188	\$ 556,410	\$ 436,023
Investment in Joint Venture	236,635	---	---
Accounts Receivable	803,804	---	8,155
Accrued Interest Receivable	124,593	---	4,274
Notes Receivable	26,400	---	466,663
Special Assessments	---	---	---
Due from Other Governments	20,259,886	8,498,727	1,642,571
Due from Other Funds	2,238,466	---	---
Inventories	---	---	---
Prepaid Items	---	---	---
Total Assets	<u>29,099,972</u>	<u>9,055,137</u>	<u>2,557,686</u>
<u>LIABILITIES</u>			
Accounts Payable	263,091	3,011	2,500
Accrued Wages	1,146,638	---	---
Contracts and Retainers Payable	2,143	---	---
Due to Other Governments	5,025	---	---
Due to Other Funds	11,449	---	---
Matured Bonds and Coupons Payable	---	---	---
Deferred Revenue	<u>19,519,114</u>	<u>8,243,404</u>	<u>---</u>
Total Liabilities	20,947,460	8,246,415	2,500
<u>FUND BALANCES</u>			
Reserved for:			
Capital Improvements	---	---	---
Debt Service	---	---	---
Encumbrances	311,300	---	---
Endowment, non-expendable	---	---	---
Inventories	---	---	---
Joint Venture	236,635	---	---
Long-Term Notes Receivable	26,400	---	466,663
Prepaid Items	---	---	---
Unreserved, undesignated reported in:			
General Fund	7,578,177	---	---
Special Revenue Funds	<u>---</u>	<u>808,722</u>	<u>2,088,523</u>
Total Fund Balances	<u>8,152,512</u>	<u>808,722</u>	<u>2,555,186</u>
Total Liabilities and Fund Balances	<u>\$ 29,099,972</u>	<u>\$ 9,055,137</u>	<u>\$ 2,557,686</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 3

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 3,455,032	\$ 34,964,925	\$ 6,035,066	\$ 50,857,644
---	---	---	236,635
44,388	287,833	231,944	1,376,124
211	239	270,597	399,914
216,692	9,599,015	7,019,380	17,328,150
1,171,997	---	---	1,171,997
22,611,294	5,133,288	3,087,931	61,233,697
---	32,000	8,417	2,278,883
---	---	102,331	102,331
---	---	381,202	381,202
<u>27,499,614</u>	<u>50,017,300</u>	<u>17,136,868</u>	<u>135,366,577</u>
---	1,607,072	873,386	2,749,060
---	14,170	252,488	1,413,296
---	4,965,788	234,251	5,202,182
---	---	11,819	16,844
---	400,000	2,126,181	2,537,630
1,740	---	---	1,740
<u>23,363,061</u>	<u>---</u>	<u>733,460</u>	<u>51,859,039</u>
23,364,801	6,987,030	4,231,585	63,779,791
---	4,854,761	---	4,854,761
3,916,810	---	---	3,916,810
1,311	28,576,494	662,504	29,551,609
---	---	980,767	980,767
---	---	102,331	102,331
---	---	---	236,635
216,692	9,599,015	7,019,380	17,328,150
---	---	381,202	381,202
---	---	---	7,578,177
---	---	3,759,099	6,656,344
<u>4,134,813</u>	<u>43,030,270</u>	<u>12,905,283</u>	<u>71,586,786</u>
<u>\$ 27,499,614</u>	<u>\$ 50,017,300</u>	<u>\$ 17,136,868</u>	<u>\$ 135,366,577</u>

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2009

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balances - Governmental Funds (Exhibit 3)		\$ 71,586,786
Infrastructure, property and equipment used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:		
Land	40,690,893	
Construction in Progress	53,039,610	
Infrastructure, net of \$39,523,930 accumulated depreciation	96,582,839	
Buildings, net of \$18,924,442 accumulated depreciation	66,135,468	
Buildings under Capital Lease, net of \$4,221,375 accumulated depreciation	3,453,625	
Improvements other than Buildings, net of \$13,380,901 accumulated depreciation	40,754,487	
Equipment, net of \$13,154,124 accumulated depreciation	<u>1,720,997</u>	
Total Capital Assets		302,377,919
Internal Service funds (See Exhibit 5) are used by management to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's fleet and are included in the Statement of Net Assets.		(8,900,130)
Deferred Revenues that provide current financial resources for governmental activities.		1,327,780
Accrued interest expense from the balance sheet that requires current financial resources for governmental activities.		(299,974)
Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.		
Bond Issue Costs	373,145	
Bond Discount	108,627	
Bond Premium	<u>(798,317)</u>	
Total Bond Issue Costs (See Note 6)		(316,545)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(95,104,514)	
Notes Payable	(15,000)	
Compensated Absences	<u>(3,231,557)</u>	
Total Long-term Liabilities (See Note 6)		<u>(98,351,071)</u>
Total Net Assets - Governmental Activities (Exhibit 1)		<u>\$ 267,424,765</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>REVENUES</u>	General	Other Employee Benefits	Local Option Sales Tax
Taxes	\$ 22,984,343	\$ 14,479,604	\$ 10,992,806
Special Assessments	102,604	---	---
Regulatory Fees	1,318,657	---	---
Intergovernmental Revenue	1,788,468	---	---
Revenue from Use of Property	349,945	---	---
Charges for Services	4,747,141	---	---
Interest	793,682	---	9,112
Contributions	218,057	---	---
Miscellaneous	372,157	542	---
Total Revenue	32,675,054	14,480,146	11,001,918
<u>EXPENDITURES</u>			
Current:			
Public Safety	29,942,179	691,733	---
Public Works	1,521,684	757	---
Culture and Recreation	7,743,616	84,843	---
Community and Economic Development	1,189,651	20,808	116,734
General Government	2,727,934	28,713	---
Debt Service	---	---	---
Capital Projects	---	---	---
Total Expenditures	43,125,064	826,854	116,734
Excess (Deficiency) of Revenues Over Expenditures	(10,450,010)	13,653,292	10,885,184
<u>OTHER FINANCING SOURCES (USES)</u>			
Issuance of Debt	---	---	---
Issuance of Refunding Bonds	---	---	---
Payment for Refunded Bonds	---	---	---
Premiums on Bonds Issued	---	---	---
Discounts on Bonds Issued	---	---	---
Proceeds from the Sale of Uncapitalized Assets	---	---	---
Proceeds from the Sale of Capitalized Assets	---	---	---
Transfers In	15,904,950	---	31,690
Transfers Out	(5,368,400)	(13,440,732)	(10,780,139)
Total Other Financing Sources (Uses)	10,536,550	(13,440,732)	(10,748,449)
Net Change in Fund Balance	86,540	212,560	136,735
Fund Balance - Beginning of Year	8,065,972	596,162	2,418,451
Fund Balance - End of Year	\$ 8,152,512	\$ 808,722	\$ 2,555,186

The notes to the financial statements are an integral part of this statement.

EXHIBIT 4

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 16,221,417	\$ ---	\$ 665,607	\$ 65,343,777
68,034	---	9,697	180,335
---	---	---	1,318,657
---	5,676,315	16,144,906	23,609,689
---	170,295	3,799,405	4,319,645
---	---	3,348,761	8,095,902
55,402	291,539	240,845	1,390,580
---	2,335	---	220,392
651,483	24,453	573,726	1,622,361
16,996,336	6,164,937	24,782,947	106,101,338
---	---	---	30,633,912
---	---	12,334,627	13,857,068
---	---	8,001,578	15,830,037
---	---	7,823,396	9,150,589
---	---	---	2,756,647
23,449,620	---	---	23,449,620
---	25,298,862	---	25,298,862
23,449,620	25,298,862	28,159,601	120,976,735
(6,453,284)	(19,133,925)	(3,376,654)	(14,875,397)
377,382	15,862,336	---	16,239,718
6,768,104	---	---	6,768,104
(6,703,104)	---	---	(6,703,104)
370,275	---	---	370,275
(35,229)	---	---	(35,229)
---	263,314	---	263,314
---	---	6,062	6,062
10,068,872	7,745,951	4,856,045	38,607,508
(3,715,291)	(3,189,566)	(3,691,233)	(40,185,361)
7,131,009	20,682,035	1,170,874	15,331,287
677,725	1,548,110	(2,205,780)	455,890
3,457,088	41,482,160	15,111,063	71,130,896
\$ 4,134,813	\$ 43,030,270	\$ 12,905,283	\$ 71,586,786

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Governmental Funds (Exhibit 4)	\$ 455,890
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$22,064,907) exceeded depreciation (\$8,783,233) in the current period.	13,281,674
Governmental funds report the proceeds from the sale of fixed assets as revenue whereas the statement of activities reports the gain or (loss) on the disposal of fixed assets. This is the effect on the change in net assets on the statement of activities.	(2,100)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	430,704
Accrued interest expense that does not require current financial resources.	14,291
Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:	17,660
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, governmental funds report the effect of issuance costs, premiums, discounts and similar items when new debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Debt Issued:	
General Obligation Bonds	(16,239,718)
Refunding Bonds	(6,768,104)
Bond Costs	94,814
Bond Discounts	35,229
Bond Premium	(370,275)
Repayments:	
General Obligation Bonds	17,034,346
Refunding Bonds	6,703,104
Bond Charges	(9,188)
Notes Payable	5,417
Net Adjustment (See Note 6)	485,625
Internal Service funds (See Exhibit 6) are used by the City to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's equipment and are included in the Statement of Net Assets. The net expense of the Internal Service funds is reported with governmental activities.	(17,037,041)
Changes in Net Assets - Governmental Activities (Exhibit 2)	\$ (2,353,297)

The notes to the financial statements are an integral part of this statement.

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CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 477,531	\$ 2,377,611
Accounts Receivable	74,748	2,113,924
Accrued Interest Receivable	1,018	5,343
Notes Receivable - Current	---	---
Due from Other Governments	190,624	---
Due from Other Funds	---	400,000
Inventories, at Cost	---	---
Prepaid Items	---	---
Total Current Assets	743,921	4,896,878
<u>Non-Current Assets</u>		
Notes Receivable - Long-term	1,000	---
Capital Assets, Net of Accumulated Depreciation	25,944,588	48,211,013
Total Assets	26,689,509	53,107,891
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	84,487	651,039
Accrued Wages and Compensated Absences	105,173	296,691
Accrued Interest Payable	2,773	62,935
Contracts and Retainers Payable	248,533	236,708
Due to Other Governments	---	115,229
Due to Other Funds	---	32,000
Estimated Liability for Damage Claims	---	---
Current Portion of G.O. Bonds	214,503	76,131
Current Portion of Notes Payable	---	1,368,000
Matured Bonds and Coupons Payable	---	6,050
Deferred Revenues	---	---
Total Current Liabilities	655,469	2,844,783
<u>Non-Current Liabilities</u>		
Post Employment Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
General Obligation Bonds, Net of Current Portion	703,809	160,340
Unamortized Charges	---	(223,031)
Notes Payable, Net of Current Portion	---	24,563,638
Total Liabilities	1,359,278	27,345,730
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	25,026,276	22,042,904
Unrestricted	303,955	3,719,257
Total Net Assets	\$ 25,330,231	\$ 25,762,161

The notes to the financial statement are an integral part of this statement.

EXHIBIT 5

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 8,413,483	\$ 3,330,814	\$ 534,342	\$ 15,133,781	\$ 12,240,747
2,742,691	688,057	235,497	5,854,917	135,344
15,171	8,108	763	30,403	6,711
---	402,062	---	402,062	93,193
2,341,470	---	---	2,532,094	---
---	---	5,701	405,701	---
---	---	---	---	316,509
---	---	---	---	172,643
13,512,815	4,429,041	776,303	24,358,958	12,965,147
---	---	---	1,000	---
84,014,152	1,818,090	9,637,990	169,625,833	7,860,516
97,526,967	6,247,131	10,414,293	193,985,791	20,825,663
5,867	2,789	78,328	822,510	363,180
103,778	2,165	52,797	560,604	272,101
110,691	109	7,090	183,598	---
4,343,036	349,602	11,340	5,189,219	1,800
117,049	28,753	---	261,031	---
---	---	114,954	146,954	---
---	---	---	---	18,446,877
346,522	13,158	391,363	1,041,677	---
2,297,000	---	---	3,665,000	---
56	---	7,613	13,719	---
---	334,610	875,000	1,209,610	---
7,323,999	731,186	1,538,485	13,093,922	19,083,958
---	---	---	---	10,641,835
---	1,877,947	---	1,877,947	---
1,026,679	50,048	1,857,933	3,798,809	---
(745,472)	---	---	(968,503)	---
47,493,877	---	---	72,057,515	---
55,099,083	2,659,181	3,396,418	89,859,690	29,725,793
32,850,074	1,754,884	7,388,694	89,062,832	7,860,516
9,577,810	1,833,066	(370,819)	15,063,269	(16,760,646)
\$ 42,427,884	\$ 3,587,950	\$ 7,017,875	\$ 104,126,101	\$ (8,900,130)

**CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>OPERATING REVENUES</u>		
Revenue from Use of Property	\$ 1,187,489	\$ 61,387
Charges for Service	395,478	10,929,330
Total Operating Revenues	1,582,967	10,990,717
<u>OPERATING EXPENSES</u>		
Employee Services	1,019,273	3,779,293
Supplies and Services	565,163	936,094
Repairs and Improvements	297,916	517,151
Utilities	130,598	521,497
Depreciation	1,568,636	2,390,461
Damage Settlement	---	---
Total Operating Expenses	3,581,586	8,144,496
Operating Income (Loss)	(1,998,619)	2,846,221
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Intergovernmental Revenue	2,220,423	---
Interest Income	9,393	150,501
Gain (Loss) on Sale of Capital Assets	---	2,000
Other Non-Operating Revenues	104,200	1,566,639
Interest Expense	(42,598)	(817,049)
Other Non-Operating Expenses	---	(85,142)
Total Non-Operating Revenues (Expenses)	2,291,418	816,949
Income (Loss) before Transfers	292,799	3,663,170
Transfers In	380,000	182,922
Transfers Out	(105,089)	(11,730)
Changes in Net Assets	567,710	3,834,362
Net Assets - Beginning of the Year	24,762,521	21,927,799
Net Assets - End of Year	<u>\$ 25,330,231</u>	<u>\$ 25,762,161</u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 2,520	\$ 112,106	\$ ---	\$ 1,363,502	\$ 59,557
16,369,850	4,518,966	1,537,637	33,751,261	23,005,352
16,372,370	4,631,072	1,537,637	35,114,763	23,064,909
2,227,501	166,508	607,768	7,800,343	17,217,679
5,812,278	3,809,168	623,191	11,745,894	1,628,848
118,884	19,041	298,134	1,251,126	4,239,036
117,182	23,251	60,246	852,774	33,263
2,751,374	221,260	301,109	7,232,840	2,800,805
---	---	---	---	15,016,634
11,027,219	4,239,228	1,890,448	28,882,977	40,936,265
5,345,151	391,844	(352,811)	6,231,786	(17,871,356)
105,860	3,000	---	2,329,283	---
219,218	112,847	5,336	497,295	67,176
---	6,624	---	8,624	83,102
---	---	---	1,670,839	1,250
(1,289,558)	(2,995)	(99,749)	(2,251,949)	---
(176,488)	---	---	(261,630)	---
(1,140,968)	119,476	(94,413)	1,992,462	151,528
4,204,183	511,320	(447,224)	8,224,248	(17,719,828)
175,000	7,000	300,000	1,044,922	682,787
(33,037)	---	---	(149,856)	---
4,346,146	518,320	(147,224)	9,119,314	(17,037,041)
38,081,738	3,069,630	7,165,099	95,006,787	8,136,911
\$ 42,427,884	\$ 3,587,950	\$ 7,017,875	\$ 104,126,101	\$ (8,900,130)

CITY OF SIOUX CITY, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received from Customers	\$ 1,362,424	\$ 10,884,599
Cash Paid for Personal Services	(1,025,287)	(3,749,673)
Cash Paid to Suppliers	(981,007)	(2,204,876)
Other Non-Operating Revenues	104,200	1,566,639
Net Cash Provided (Used) by Operating Activities	(539,670)	6,496,689
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and Construction of Capital Assets	(3,169,856)	(4,920,372)
Proceeds from Sale of Assets	---	2,000
Proceeds from Bond Sales	55,282	---
Bond Issuance Costs	---	(70,237)
Proceeds from Notes Payable	---	1,112,824
Principal Paid on Notes and Bonds	(250,558)	(1,963,344)
Interest Paid on Notes and Bonds	(43,388)	(822,856)
Net Cash (Used) by Capital and Related Financing Activities	(3,408,520)	(6,661,985)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Intergovernmental Revenue	3,661,425	---
Transfers In	380,000	182,922
Transfers Out	(105,089)	(11,730)
Net Cash Provided by Non-Capital Financing Activities	3,936,336	171,192
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends on Investments	9,934	157,088
Payments Received on Notes Receivable	---	---
Net Cash Provided By Investing Activities	9,934	157,088
Net Increase (Decrease) in Cash and Cash Equivalents	(1,920)	162,984
Cash and Cash Equivalents at Beginning of Year	479,451	2,214,627
Cash and Cash Equivalents at End of Year	<u>\$ 477,531</u>	<u>\$ 2,377,611</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (1,998,619)	\$ 2,846,221
Adjustments to Reconcile Net Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,568,636	2,390,461
Other Non-Operating Revenues	104,200	1,566,639
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:		
Accounts Receivable	(29,919)	(117,848)
Due from Other Governments	(190,624)	---
Due from Other Funds	---	11,730
Inventories	---	---
Prepaid Items	---	---
Accounts Payable	(175,112)	5,616
Accrued Wages and Compensated Absences	(6,014)	29,620
Contracts and Retainers Payable	219,650	(267,497)
Due to Other Governments	---	(253)
Due to Other Funds	(31,868)	32,000
Deferred Revenue	---	---
Post Retirement Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	1,458,949	3,650,468
Net Cash Provided (Used) by Operating Activities	<u>\$ (539,670)</u>	<u>\$ 6,496,689</u>
<u>NONCASH FINANCING ACTIVITIES:</u>		
Bonds Repaid with Issuance of Refunding Bonds	<u>\$ 50,811</u>	<u>\$ 77,114</u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 15,938,806	\$ 4,607,325	\$ 1,556,818	\$ 34,349,972	\$ 22,987,543
(2,237,972)	(165,950)	(604,205)	(7,783,087)	(13,566,378)
(5,679,664)	(4,469,976)	(1,658,948)	(14,994,471)	(6,540,562)
---	---	---	1,670,839	1,250
8,021,170	(28,601)	(706,335)	13,243,253	2,881,853
(19,086,348)	---	(130,840)	(27,307,416)	(2,379,428)
---	6,624	---	8,624	283,117
---	---	---	55,282	---
(148,817)	---	---	(219,054)	---
15,142,425	---	---	16,255,249	---
(2,028,415)	(12,658)	(390,679)	(4,645,654)	---
(1,282,244)	(3,148)	(101,082)	(2,252,718)	---
(7,403,399)	(9,182)	(622,601)	(18,105,687)	(2,096,311)
105,860	5,712	---	3,772,997	---
175,000	7,000	300,000	1,044,922	682,787
(33,037)	---	---	(149,856)	---
247,823	12,712	300,000	4,668,063	682,787
233,998	120,349	8,707	530,076	73,977
---	388,292	---	388,292	42,952
233,998	508,641	8,707	918,368	116,929
1,099,592	483,570	(1,020,229)	723,997	1,585,258
7,313,891	2,847,244	1,554,571	14,409,784	10,655,489
\$ 8,413,483	\$ 3,330,814	\$ 534,342	\$ 15,133,781	\$ 12,240,747
\$ 5,345,151	\$ 391,844	\$ (352,811)	\$ 6,231,786	\$ (17,871,356)
2,751,374	221,260	301,109	7,232,840	2,800,805
---	---	---	1,670,839	1,250
(360,741)	(23,747)	16,071	(516,184)	(77,366)
(105,860)	---	---	(296,484)	---
33,037	---	3,110	47,877	---
---	---	---	---	(5,597)
---	---	---	---	(172,643)
(71,540)	(43,384)	5,808	(278,612)	109,180
(10,471)	558	3,563	17,256	41,029
435,917	11,949	(586,148)	(186,129)	(1,347)
4,303	939	---	4,989	---
---	---	7,963	8,095	---
---	(422,664)	(105,000)	(527,664)	---
---	---	---	---	3,610,272
---	(165,356)	---	(165,356)	---
---	---	---	---	14,447,626
2,676,019	(420,445)	(353,524)	7,011,467	20,753,209
\$ 8,021,170	\$ (28,601)	\$ (706,335)	\$ 13,243,253	\$ 2,881,853
\$ 370,765	\$ 63,206	\$ -	\$ 561,896	\$ -

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009**

ASSETS

Cash and Cash Equivalents	\$	541,270
Accounts Receivable		106,858
Due from Other Governments		<u>62,930</u>
Total Assets		<u>711,058</u>

LIABILITIES

Accounts Payable		30,119
Due to Other Governments		<u>680,939</u>
Total Liabilities		<u>711,058</u>
Total Net Assets	\$	<u><u>---</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Sioux City, Iowa, was incorporated May 5, 1855, under the laws of the State of Iowa, later amended by the Home Rule City Act. The City operates under the Council-Manager form of government and provides the following program services as authorized by its charter: Public Safety, Public Works, Culture and Recreation, Community and Economic Development, and General Government. These program services are administered by departments, agencies and various boards.

These financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) that apply to governmental units. All funds created under the authority of the State Code of Iowa, the operations of which are under the control of the City's governing body, and by financial reporting standards for governmental units are included herewith.

The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its business-type activities. The more significant accounting policies established in U.S. GAAP and used by the City are discussed below.

The City of Sioux City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City.

The City of Sioux City does not include any component units within its reporting entity.

The City participates in jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. The City is a member of the County Assessor's Conference Board and the City Assessor's Conference Board.

B. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, capital projects, and permanent funds are classified as governmental activities. The City's internal service fund is classified as a governmental-type activity. The government-wide financial statements do not include fiduciary funds.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - (Continued)

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first uses restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government, and Debt Service), and business-type activities. These expenses are supported by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City does not allocate indirect costs. Certain expenses of the City are accounted for through the internal service fund on a cost-reimbursement basis.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds, which should have a specific community focus. The non-major funds are combined into a single column in the fund financial statements. The various funds reported in the financial statements are grouped into fund types as follows:

Governmental Fund Types –The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, and culture and recreation. The General Fund is a major fund.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - (Continued)

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds for Sioux City include: Other Employee Benefits, Emergency Fund, Storm Water Drainage, Road Use, Community Development, Housing, Main Street, Youngers Self-Improvement District, Local Option Sales Tax, Events Facilities, and Transit System. Two of the Special Revenue Funds are considered major funds: the Other Employee Benefits Fund is used to account for the City's employee benefits tax levy and the Local Option Sales Tax Fund is used to account for the City's 1% local option sales tax.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund is a major fund.

Capital Projects Fund - Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Fiduciary Funds). The Capital Projects Fund is a major fund.

Permanent Fund - The Permanent Fund is a maintenance account for assets held by the City pursuant to the cemetery trust agreement in which the City cares for its cemeteries. The City maintains the principal portion of this fund type must remain intact and only the income shall be used for the care and maintenance of its cemeteries.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The funds reported as enterprise funds are listed below.

Airport Fund - The Airport Fund accounts for the operation and maintenance of the City's airport facility. The Airport Fund is a major fund.

Water Fund - The Water Utility Fund accounts for the operation and maintenance of the City's water system. The Water Fund is a major fund.

Sewer Fund - The Sewer Utility Fund accounts for the operation and maintenance of the City's sewer system. The Sewer Fund is a major fund.

Solid Waste Fund - The Solid Waste Fund accounts for the operation and maintenance of the City's solid waste facilities. The Solid Waste Fund is a major fund.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - (Continued)

Enterprise Funds – (Continued)

Parking Fund - The Parking Fund accounts for the operations of the City-owned parking ramps and other parking facilities.

Skyway System - The Skyway System accounts for the maintenance and security of the skyway system.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-recovery basis.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Central Maintenance Garage - The Central Maintenance Garage Fund accounts for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

Comprehensive Insurance - The Comprehensive Insurance Fund accounts for the funding and maintenance of the City's insurance policies provided to user departments.

Fiduciary Fund Types – Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore, are not available to support City programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements.

Sioux City Housing Trust Fund – This fund accounts for the activity of the Sioux City Housing Trust Fund.

Revolving Fund – This fund accounts for refunds to City customers.

WCICC Fund – This fund accounts for the activity of the Woodbury County Information Communication Center (WCICC).

Museum Building Property, Inc. Fund – This fund accounts for the activity of Museum Building Property, Inc.

SHARP Fund – This fund accounts for the activities of the Siouxland Historic Auditorium Restoration Project (SHARP).

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - (Continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

E. Budgets

Chapter 384, Section 16, of the State Code of Iowa, requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. The City budget may be amended for specified level purposes and budget amendments must be prepared and adopted in the same manner as the original budget. Appropriations, as adopted and amended, lapse at the end of the fiscal year, with the exception of Capital Improvement Projects and encumbrances. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. This level of control is at a level higher than the individual fund. It is necessary, therefore, to aggregate the expenditures of governmental fund types with expenses of proprietary fund types on a program level basis and to compare such program totals to program budgeted totals in order to demonstrate legal compliance with budget. Legal budget compliance for cities in the State of Iowa is applied only to expenditures.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in the cash management pool, which has the general characteristics of a demand deposit account.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - (Continued)

Iowa Code, Chapter 452.10, Custody of Public Funds, allows the City Treasurer to invest public funds not needed for operations. Chapter 97B.7, Trustees duties, indicates that the City Treasurer shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Common, preferred, and guaranteed stock is an exception for the investment of public funds.

The City follows the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments for External Investment Pools". The City used the following methods in determining the reported amounts: Commercial paper – quoted fair value, U.S. Treasuries – quoted fair value, U.S. Agencies – quoted fair value.

G. Short-Term Interfund Receivables/Payables

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2009, balances of interfund amounts payable or receivable have been recorded as "due to other funds" and "due from other funds", respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

H. Notes Receivable From Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as notes receivable.

I. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental and proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items.

K. Restricted Assets

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities. These balances are separately disclosed in the Enterprise Funds.

L. Capital Assets

Assets with an initial individual cost of \$10,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost beginning in 1980, as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings & Structures.....	39 - 50 Years
Machinery & Equipment.....	3 - 10 Years
Infrastructure.....	15 - 70 Years

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - (Continued)

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when the employees separate from service with the exception of employees of the Transit System. All Transit System employees who are covered by the Amalgamated Transit Union receive, upon retirement or death, a sick leave benefit of up to 120 days of paid sick leave.

N. Fund Equity

Reserves represent those portions of fund equity legally segregated for specific use in the future.

O. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 2 - Deposits and Investments

State statutes authorize the City to invest in "notes, certificates, bonds, prime eligible bankers acceptances, commercial paper rated within the two highest classifications of prime as established by at least one of the standard rating services approved by the Superintendent of Banking pursuant to Chapter 17A, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits in depositories as provided in Chapter 12B and receive the time certificates of deposit for the funds, certain registered open-end management investment companies, certain joint investment trusts or in savings accounts in depositories, or in warrants or improvement certificates of drainage districts." Additionally, as required by statute, the City Council has implemented an investment policy for the City. This policy does not specifically limit those authorized by statute, but does express the Council's preferences as to maturities, trading and location of financial institutions invested in. Investments during the year have not varied from these statutes and were consistent with those held by the City at year-end.

Deposits

The City's deposits at June 30, 2009, were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the City or the City's agent in the City's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. The City's bank deposits, per banks, at June 30, 2009, were \$71,350,280. These deposits have a book balance of \$69,611,962.

Investments

Investments are shown at fair value, except those that have a remaining maturity at the time of purchase of one year or less are shown at amortized costs. Presented below are the ratings, where applicable, by investment type as of June 30, 2009.

Investments	Carrying Amount	Moody's Rating 6/30/09
Commercial Paper	\$ 996,884	P-2
Commercial Paper	993,750	P-1
U.S. Treasury Strips	391,444	N/A
U.S. Agencies	6,768,584	N/A
	<u>\$ 9,150,662</u>	

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 2 - (Continued)

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the City's policy to comply with rating restrictions.

Concentration of credit risk. The City's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the City's total investments.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The 2005 Iowa Code Chapter 12C Deposit of Public Funds requires that any bank accepting deposits of public funds to fully collateralize those deposits with the State Treasurer.

Custodial risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's investments at June 30, 2009, the City has limited custodial credit risk exposure because all investments of the City must be held for the credit of the City in compliance with Iowa Code Chapter 12B. The counterparty must keep the securities in an account separate and apart from its own.

Cash and Cash Equivalents

The City pools the resources of each individual fund's available cash in order to obtain higher rates of return than could be if the funds were invested individually. The interest earned on the cash and cash equivalents is allocated to selected funds, as determined by the Director of Finance and the City Treasurer, in accordance with the City's investment policy, based on the ratio of each fund's participation in the pool. The cash and cash equivalents at June 30, 2009, consisted of the following:

Reconciliation to Exhibit 1:

	Carrying Amount
Investments	\$ 9,150,662
Bank Deposits	69,611,962
Cash on hand, petty cash and other cash items	10,818
Total Cash and Cash Equivalents	<u>\$ 78,773,442</u>
 Cash and Cash Equivalents – Exhibit 1	 \$ 78,232,172
Cash and Cash Equivalents – Exhibit 8	541,270
Total Cash and Cash Equivalents	<u><u>\$ 78,773,442</u></u>

CITY OF SIOUX CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 - Receivables

The following schedule details receivables:

<u>Fund Type</u>	<u>Property Taxes</u>	<u>Grants/ Revenue from Other Governments</u>	<u>Accounts Receivable</u>	<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
GENERAL	\$ 19,859,892	\$ 399,994	\$ 803,804	\$ 26,400	\$ ---	\$ 21,090,090
Special Revenues						
Emergency Fund	567,011	---	---	---	---	567,011
Storm Water Drainage	---	---	61,004	---	---	61,004
Road Use	---	575,505	2,151	---	---	577,656
Community Development	---	347,551	---	7,019,380	---	7,366,931
Housing	---	2,156	46,293	---	---	48,449
Main Street	138,549	---	---	---	---	138,549
Local Option Sales Tax	---	1,642,571	8,155	466,663	---	2,117,389
Events Facilities	---	---	89,800	---	---	89,800
Transit System	---	1,457,159	32,696	---	---	1,489,855
Employee Benefits	8,498,727	---	---	---	---	8,498,727
TOTAL SPECIAL REVENUES	9,204,287	4,024,942	240,099	7,486,043	---	20,955,371
DEBT SERVICE	22,611,294	---	44,388	216,692	1,171,997	24,044,371
CAPITAL PROJECTS	---	5,133,288	287,833	9,599,015	---	15,020,136
Enterprises						
Airport System	---	190,624	74,748	1,000	---	266,372
Water System	---	---	2,113,924	---	---	2,113,924
Sewer System	---	2,341,470	2,742,691	---	---	5,084,161
Solid Waste System	---	---	688,057	402,062	---	1,090,119
Parking Facility	---	---	106,712	---	---	106,712
Skyway System	---	---	128,785	---	---	128,785
TOTAL ENTERPRISE	---	2,532,094	5,854,917	403,062	---	8,790,073
Internal Service Funds						
Central Maintenance Garage	---	---	111,091	93,193	---	204,284
Comprehensive Insurance	---	---	24,253	---	---	24,253
TOTAL INTERNAL SERVICE	---	---	135,344	93,193	---	228,537
TOTAL RECEIVABLES	\$ 51,675,473	\$ 12,090,318	\$ 7,366,385	\$ 17,824,405	\$ 1,171,997	\$ 90,128,578

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 - (Continued)

All property subject to taxation is valued by the City Assessor, in compliance with State law, every two years subject to equalization action of the State Director of Revenue and further adjustment to restrict growth of taxable valuations to an annual limit of four percent statewide.

Taxes are billed and collected for the City of Sioux City by the Woodbury County Treasurer and are levied and due on July 1 of each year. Property taxes attach as an enforceable lien on March 15, also. The first installment becomes delinquent the following October 1, and the second installment becomes delinquent April 1 of the following calendar year. Property tax revenues are recognized when they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed sixty days. The maximum rate for the General Fund is \$8.10 per thousand dollars assessed valuation. General Obligation Bonds issued are payable from taxes levied in the Debt Service Fund without limitation as to rate or amount. The City has been at the \$8.10 General Fund limit for the past twenty-nine years.

In fiscal 2006, the City made an agreement with the Sioux City Explorers Baseball Club to set up previous unpaid account balances as a note receivable to be repaid over 10 years. The original amount was \$44,000 with an outstanding balance of \$26,400 as of June 30, 2009.

In fiscal 1983, the City received an Urban Development Action Grant (UDAG) totaling almost \$2,000,000, which was loaned to area businesses for commercial and industrial developments. The City is entitled to all of the funds that are paid back on the loans. These funds can be loaned to other businesses for commercial or industrial development. All loans are secured by mortgages on the related real estate. Only one of the original projects is still outstanding. This loan is to the Call Terminal, L.P. and has an outstanding balance at June 30, 2009, of \$335,059. It carries an interest rate of 4% and calls for annual payments of \$21,975 until December 2031. During fiscal 2003, the City made a new loan under this program to the Civic Partners. Draws were made under this agreement totaling \$1,980,000 and the note was set up with monthly payments beginning in June 2005. Accrued interest on this note from inception until monthly payments began was capitalized into an additional note in June 2005 with an original balance of \$145,421. A third note was given during fiscal 2007 in the amount of \$25,000. These loans carry an interest rate of 6.33% and require total monthly payments of \$14,643 through February 2013 with balloon payments due at maturity. The combined outstanding balance of these notes at June 30, 2009, was \$2,023,650.

The City also has other notes receivable totaling \$497,726 at June 30, 2009, from rehabilitation loans made from Community Development funds. In connection with the Home Program funded by the U.S. Department of Housing and Urban Development the Community Development Fund had notes receivable outstanding of \$4,162,945 from nineteen local businesses.

The Debt Service Fund has a note receivable from the Sioux City Explorers Baseball Club with a balance of \$21,120 at June 30, 2009. The note has a 6% interest rate and calls for annual principal and interest payments of \$7,901 until 2012. Also, in the Debt Service Fund, there is a note receivable from the Green Valley Floyd Golf Corporation with an original amount of \$250,000 for the purchase and installation of a new sprinkler system at Floyd Golf Course. The balance outstanding at June 30, 2009, was \$180,572. The note carries an interest rate of 4.45% and calls for monthly payments of \$2,585 through April 2016. During fiscal 2007, the City also loaned \$25,000 to Staber Meats with money from the State of Iowa under the Community Economic Betterment Account (CEBA) loan program. This loan is at 0% and will be repaid over five years. The balance of this loan at June 30, 2009, was \$15,000.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 – (Continued)

The City has five loans in the Capital Projects Fund. The City loaned \$120,000 to the Castle on the Hill in December 2003. The purpose of the loan was for the development of affordable housing in the City. The loan carries an interest rate of 1% for a term of 30 years with payments beginning in December 2013. It has a balance that includes capitalized interest as of June 30, 2009, of \$128,019. Two other notes in the Capital Projects Fund are receivable from Siouxland Historic Auditorium Restoration Project LLC (SHARP). These notes funded the construction of the Long Lines Family Recreation Center which is owned by SHARP. The first note had an original balance of \$9,000,000, an interest rate of 6% and calls for monthly payments of \$115,256. The outstanding balance at June 30, 2009, was \$5,461,693. The second note had an original balance of \$4,500,000, an interest rate of 10% and calls for monthly payments of \$91,552. The outstanding balance at June 30, 2009, was \$2,904,086. The City extended two new notes in the Capital Projects fund in fiscal 2008. The first was a \$100,000 note to R&G LLC. The note accrues interest at 4% and calls for one payment of principal and interest on December 1, 2012. The balance, including capitalized interest, was \$105,217 at June 30, 2009. The second was a \$1,000,000 note to the Siouxland Senior Center. The note does not charge interest and is due in annual principal payments beginning on December 1, 2010, with a final balloon payment on December 1, 2017.

The City has a number of notes receivable from economic development incentive packages with local businesses totaling \$466,663. These notes receivables are reported in the Local Option Sales Tax fund.

The Airport Fund has a note receivable of \$1,000 in connection with Trans World Airlines, Inc. bankruptcy proceedings.

The Solid Waste Fund has a note receivable from Gill Hauling with a balance of \$402,062 at June 30, 2009. The note has an interest rate of 3.5% and calls for principal and interest payments of \$102,727 due quarterly with a final maturity date of April 15, 2010.

During fiscal 2007, the Central Maintenance Garage Fund loaned \$200,807 to Green Valley Floyd Golf Corporation for the purchase of new equipment. The note calls for interest at 5% and monthly payments of \$3,789 for 60 months. The balance at June 30, 2009, was \$93,193.

The Water, Sewer, and Solid Waste Funds accrue unbilled revenues rendered subsequent to the last billing date and prior to year-end based upon the number of days unbilled compared to the first billing subsequent to year-end. At June 30, 2009, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$1,255,332, \$1,471,833 and \$400,948, respectively.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2009, is as follows:

Governmental Activities (including Internal Service Funds):

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Capital assets, not being depreciated:				
Land	\$ 39,065,907	\$ 1,627,086	\$ (2,100)	\$ 40,690,893
Construction in Progress	44,035,271	13,260,993	(4,256,654)	53,039,610
Total capital assets, not being depreciated	<u>83,101,178</u>	<u>14,888,079</u>	<u>(4,258,754)</u>	<u>93,730,503</u>
Capital assets, being depreciated:				
Buildings	85,744,092	---	---	85,744,092
Buildings under capital lease	7,675,000	---	---	7,675,000
Improvements other than buildings	50,606,999	4,083,229	---	54,690,228
Equipment	40,492,315	2,509,406	(656,930)	42,344,791
Infrastructure	129,027,299	7,079,470	---	136,106,769
Total capital assets, being depreciated	<u>313,545,705</u>	<u>13,672,105</u>	<u>(656,930)</u>	<u>326,560,880</u>
Less accumulated depreciation for:				
Buildings	(17,361,230)	(2,247,394)	---	(19,608,624)
Buildings under capital lease	(4,029,375)	(192,000)	---	(4,221,375)
Improvements other than buildings	(11,024,148)	(2,678,776)	---	(13,702,924)
Equipment	(30,347,898)	(3,245,917)	597,720	(32,996,095)
Infrastructure	(36,303,979)	(3,219,951)	---	(39,523,930)
Total accumulated depreciation	<u>(99,066,630)</u>	<u>(11,584,038)</u>	<u>597,720</u>	<u>(110,052,948)</u>
Total capital assets, being depreciated, net	<u>214,479,075</u>	<u>2,088,067</u>	<u>(59,210)</u>	<u>216,507,932</u>
Governmental Activities capital assets, net	<u>\$ 297,580,253</u>	<u>\$16,976,146</u>	<u>\$ (4,317,964)</u>	<u>\$ 310,238,435</u>

The Internal Service Funds and General Capital Assets are combined on the Governmental Activities Statement of Net Assets.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 4 - (Continued)

Business-Type Activities:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Capital assets, not being depreciated:				
Land	\$ 4,142,880	\$ ---	\$ ---	\$ 4,142,880
Construction in progress	63,455,631	22,248,685	(6,808,042)	78,896,274
Total capital assets, not being depreciated	<u>67,598,511</u>	<u>22,248,685</u>	<u>(6,808,042)</u>	<u>83,039,154</u>
Capital assets, being depreciated:				
Buildings	61,428,632	---	---	61,428,632
Improvements other than buildings	110,028,244	11,829,503	---	121,857,747
Equipment	5,797,612	37,268	(12,175)	5,822,705
Total capital assets, being depreciated	<u>177,254,488</u>	<u>11,866,771</u>	<u>(12,175)</u>	<u>189,109,084</u>
Less accumulated depreciation for:				
Buildings	(52,430,294)	(1,491,475)	---	(53,921,769)
Improvements other than buildings	(38,811,097)	(5,441,581)	---	(44,252,678)
Equipment	(4,060,349)	(299,784)	12,175	(4,347,958)
Total accumulated depreciation	<u>(95,301,740)</u>	<u>(7,232,840)</u>	<u>12,175</u>	<u>(102,522,405)</u>
Total capital assets, being depreciated, net	<u>81,952,748</u>	<u>4,633,931</u>	<u>---</u>	<u>86,586,679</u>
Business-Type Activities capital assets, net	<u>\$ 149,551,259</u>	<u>\$ 26,882,616</u>	<u>\$ (6,808,042)</u>	<u>\$ 169,625,833</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities

Public Safety	\$ 762,287
Public Works	3,207,969
Culture and Recreation	2,436,475
Community and Economic Development	268,685
General Government	2,107,817
Internal Service	2,800,805
Total	<u>\$ 11,584,038</u>

Business-Type Activities

Airport	\$ 1,568,636
Water	2,390,461
Sewer	2,751,374
Solid Waste	221,260
Parking	301,109
Total	<u>\$ 7,232,840</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 4 – (Continued)

Reconciliation of Invested in Capital Assets, Net of Related Debt:

	Governmental Activities	Business-Type Activities
Capital Assets (net of accumulated depreciation)	\$ 310,238,435	\$ 169,625,833
Less: General Obligation Bonds Payable	95,104,514	4,840,486
Notes Payable	15,000	75,722,515
	<u>\$ 215,118,921</u>	<u>\$ 89,062,832</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 215,118,921</u>	<u>\$ 89,062,832</u>

Note 5 – Capital Leases

In 1986, the City entered into an agreement with the Siouxland Chamber Foundation to construct the Sioux City Convention Center and lease it back to the City. This original lease expired June 1, 2007, and the title to the facility passed back to the City according to the terms of the lease. On June 1, 2007, another agreement was formed which sold the facility back to the Siouxland Chamber Foundation for \$1 and subsequently leased the facility back to the City again. The new lease terms call for a rental payment of \$1 per year for a term of 5 years. The lease also provides for two 5 year renewal options. Per the agreement, title to the facility will transfer back to the City for no consideration at the termination of the lease. Accordingly, the lease is treated as a capital lease and the leased assets are accounted for in the governmental activities on the statement of net assets. Buildings under capital lease have an original cost of \$7,675,000, accumulated depreciation of \$4,221,375 for a net book value at June 30, 2009, of \$3,453,625.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 6 – Long-Term Debt

NOTES PAYABLE

During fiscal 2007, the City borrowed \$25,000 under the Community Economic Betterment Account (CEBA) loan program from the Iowa Department of Economic Development to loan to Staber Meats. The interest rate is 0% and the loan is scheduled to be repaid over five years. The balance at June 30, 2009, was \$15,000.

During fiscal year 1997, the City borrowed funds from the State of Iowa through the Iowa Sewage Treatment Works Financing Program. The City received two low interest notes to help finance the construction of the Southeast Morningside Interceptor Sewer. Both notes are unsecured. The first loan with an original amount of \$1,422,000 has an interest rate of 3.0% and had a balance outstanding at June 30, 2009, of \$541,000. The second loan with an original amount of \$1,363,000 has an interest rate of 3.0% and had a balance outstanding at June 30, 2009, of \$619,000.

During fiscal years 2003 and 2004, the City borrowed funds from the State of Iowa Clean and Drinking Water State Revolving Fund. The City received four notes at 3% interest each to make certain improvements to the wastewater treatment and water systems. All four notes are unsecured. The notes were drawn upon as improvements were made. The final draws on the fourth note were made during fiscal 2007 bringing the total amount borrowed under these notes to \$25,000,000 in the Water fund and \$8,000,000 in the Sewer fund. The outstanding balances as of June 30, 2009, were \$19,468,000 in the Water fund and \$6,074,000 in the Sewer fund.

During fiscal 2006, the City obtained a \$31,000,000 note from the State of Iowa Clean and Drinking Water State Revolving Fund. The loan is at 3% and is unsecured. The loan is to be drawn upon as the funds are spent on the improvements. The loan had not been fully drawn as of June 30, 2009, and had a remaining balance available to draw of \$1,155,000. The outstanding balance on the note as of June 30, 2009, was \$28,657,000 in the Sewer fund.

During fiscal 2007, the City obtained a note with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$6,000,000 with a 3% interest rate. The loan was drawn upon as improvements were made. The outstanding balance of the note as of June 30, 2009, was \$5,480,000 in the Water fund.

During fiscal 2008, the City obtained a note with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$15,000,000 with a 3% interest rate. The loan is to be drawn upon as improvements are made. The loan had not been fully drawn as of June 30, 2009, and had a remaining balance to be drawn of \$1,410,123. The outstanding balance of the note as of June 30, 2009, was \$13,589,878 in the Sewer fund.

During fiscal 2009, the City obtained four notes with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$31,000,000 in the Sewer Fund and \$4,450,000 in the Water Fund all with a 3% interest rate. The loans are to be drawn upon as improvements are made. The loans had not been fully drawn as of June 30, 2009, and had remaining balances to be drawn of \$30,690,000 in the Sewer Fund and \$3,466,362 in the Water Fund. The outstanding balances of the notes as of June 30, 2009, were \$310,000 in the Sewer Fund and \$983,638 in the Water Fund.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 6 - (Continued)

Annual debt service requirements to maturity for the above notes payable are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 5,000	\$ ---	\$ 3,855,303	\$ 2,143,170
2011	5,000	---	4,570,335	2,174,670
2012	5,000	---	4,202,000	2,061,360
2013	---	---	4,011,000	1,935,300
2014	---	---	4,133,000	1,814,970
2015-2019	---	---	21,875,000	7,165,860
2020-2024	---	---	23,555,000	3,717,120
2025-2029	---	---	9,520,877	793,620
Total	<u>\$ 15,000</u>	<u>\$ ---</u>	<u>\$ 75,722,515</u>	<u>\$ 21,806,070</u>

GENERAL OBLIGATION BONDS

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds have been issued for both governmental and business-type activities. These bonds are direct obligations and pledge the full faith and credit of the City.

The City issued new bonds during fiscal 2009 as follows:

On March 23, 2009, the City sold general obligation bonds in three series. Series A was for \$9,435,000. The bonds were sold to Hutchinson, Shockey, Erley & Co. for \$9,785,770. The bonds have a true interest rate of 3.344785% with principal payments due June 1 of the years 2010 through 2021. Series B was for \$5,550,000. The bonds were sold to Robert W. Baird & Co. Inc. for \$5,569,505. The bonds have a true interest rate of 3.325477% with principal payments due June 1 of the years 2010 through 2021. Series C was for \$1,310,000. The bonds were sold to Northland Securities Inc. for \$1,303,358. The bonds have a true interest rate of 2.574288% with principal payments due June 1 of the years 2010 through 2021.

On March 23, 2009, the City sold general obligation refunding bonds totaling \$7,330,000. The bonds were sold to UMB Bank N.A. for \$7,301,413. The bonds have a true interest rate of 2.122348% with principal payments due June 1 of the years 2010 through 2014. The bonds refunded \$7,265,000 in general obligation bonds issued November 2001, and resulted in actual future value dollar savings of \$417,528 equivalent to a present value savings of \$395,284, net of refinancing costs.

General obligation bonds outstanding as of June 30, 2009, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	2.00 – 5.25%	\$79,819,401
Governmental Activities – Refunding	2.76 – 3.22%	15,285,113
Business-Type Activities	2.00 – 5.25%	3,020,599
Business-Type Activities – Refunding	2.76 – 3.22%	1,819,887

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 6 - (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 14,993,323	\$ 3,599,684	\$ 1,041,677	\$ 170,625
2011	14,242,057	2,995,665	932,943	135,906
2012	13,490,918	2,517,126	824,082	105,989
2013	12,724,004	2,048,325	715,996	78,030
2014	11,632,218	1,592,605	557,782	52,346
2015-2019	25,321,698	2,960,309	758,302	55,005
2020-2021	2,700,296	177,608	9,704	1,092
Total	<u>\$ 95,104,514</u>	<u>\$ 15,891,322</u>	<u>\$ 4,840,486</u>	<u>\$ 598,993</u>

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 95,834,142	\$ 23,007,822	\$ 23,737,450	\$ 95,104,514	\$ 14,993,323
Less: Unamortized Bond Charges	67,125	240,232	(9,188)	316,545	(1,166)
Notes Payable	20,417	---	5,417	15,000	5,000
Compensated Absences	3,473,069	2,114,613	2,137,766	3,449,916	2,129,444
Governmental Activities					
Long-term Liabilities	<u>\$ 99,394,753</u>	<u>\$ 25,362,667</u>	<u>\$ 25,871,445</u>	<u>\$ 98,885,975</u>	<u>\$ 17,126,601</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 5,950,858	\$ 617,178	\$ 1,727,550	\$ 4,840,486	\$ 1,041,677
Less: Unamortized Bond Charges	(701,078)	(310,000)	(42,575)	(968,503)	(52,047)
Notes Payable	61,901,747	16,835,768	3,015,000	75,722,515	3,665,000
Compensated Absences	428,704	274,475	276,694	426,485	231,604
Est. Liability for Landfill Closure	2,043,303	---	165,356	1,877,947	64,122
Business-type Activities					
Long-term Liabilities	<u>\$ 69,623,534</u>	<u>\$ 17,417,421</u>	<u>\$ 5,142,025</u>	<u>\$ 81,898,930</u>	<u>\$ 4,950,356</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At June 30, 2009, \$215,142 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are liquidated by the funds where the employee's wages and benefits are allocated. For the above balances in compensated absences as of June 30, 2009, approximately 68% will be liquidated by the general fund, 25% by the special revenue funds, 1% by the capital projects fund and 6% by the internal service funds.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 6 - (Continued)

UNAMORTIZED BOND CHARGES

Unamortized bond charges related to bond activities consisted of the following items at June 30, 2009:

Fund or Activity Type	Bond Issue Date	Original Amount	6/30/08 Balance with 2009 Additions	2009 Amortization	Balance at 6/30/09
Governmental Activities:					
Bond Issue Costs:					
General Fund	11/1/2001	\$ 74,050	\$ 24,425	\$ 4,071	\$ 20,354
General Fund	7/1/2002	77,771	11,110	11,110	---
General Fund	12/1/2002	50,085	26,968	3,853	23,115
General Fund	11/1/2003	56,208	30,659	5,110	25,549
General Fund	12/1/2004	67,620	43,031	6,147	36,884
General Fund	4/1/2005	26,904	5,381	5,381	---
General Fund	12/1/2005	75,892	55,193	6,899	48,294
General Fund	12/1/2006	42,514	34,784	3,865	30,919
General Fund	12/1/2007	82,745	75,223	7,522	67,701
General Fund	4/1/2008	46,245	36,995	9,249	27,746
General Fund	4/1/2009	67,234	67,234	1,326	65,908
General Fund	4/1/2009	27,580	27,580	907	26,673
Bond Discount:					
General Fund	7/1/2002	77,088	11,013	11,013	---
General Fund	12/1/2002	28,007	15,081	2,154	12,927
General Fund	11/1/2003	10,763	5,871	978	4,893
General Fund	12/1/2004	69,280	44,087	6,298	37,789
General Fund	12/1/2005	29,993	21,813	2,727	19,086
General Fund	4/1/2009	35,229	35,229	1,296	33,933
Bond Premium:					
General Fund	11/1/2003	(42,356)	(16,528)	(2,755)	(13,773)
General Fund	12/1/2004	(57,585)	(36,645)	(5,235)	(31,410)
General Fund	4/1/2005	(4,644)	(929)	(929)	---
General Fund	12/1/2005	(25,137)	(18,281)	(2,285)	(15,996)
General Fund	12/1/2006	(94,586)	(77,388)	(8,599)	(68,789)
General Fund	12/1/2007	(414,731)	(358,988)	(55,743)	(303,245)
General Fund	4/1/2009	(370,275)	(370,275)	(5,172)	(365,103)
Subtotal Governmental			(307,357)	9,188	(316,545)
Business-Type Activities:					
Loan Origination Fees:					
Water System	6/25/2002	137,360	98,114	6,541	91,573
Water System	1/2/2004	112,640	85,821	5,364	80,457
Water System	9/1/2006	60,000	54,000	3,000	51,000
Sewer System	6/25/2002	80,000	57,143	3,809	53,334
Sewer System	7/1/2005	310,000	263,500	15,500	248,000
Sewer System	7/1/2007	150,000	142,500	7,500	135,000
Sewer System	5/6/2009	310,000	310,000	861	309,139
Subtotal Business-type			1,011,078	42,575	968,503
Total Governmental and Business-Type Activities			<u>\$ 703,721</u>	<u>\$ 51,763</u>	<u>\$ 651,958</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 7 - Deficit Equity Balances

The Events Facilities had a deficit fund balance at June 30, 2009, of \$1,064,850, up from \$579,079 at June 30, 2008. The operation of the Convention Center and Auditorium requires a high percentage of their costs to be fixed and therefore, when revenue is down, the fund operates at a deficit. It is anticipated that the fiscal year 2010 budget should correct this with a combination of revenue increases, taxes and control over expenditures.

The Transit Fund showed a deficit balance at June 30, 2009, of \$127,987. This is due to a large transfer out to reduce the budgeted property taxes in order to balance the fund according to Federal Transit Administration (FTA) guidelines.

The Comprehensive Insurance Fund showed a deficit balance at June 30, 2009, of \$21,314,747. The reason for the deficit is the adoption of GASB 45 which requires that the estimated amount of the post retirement benefit obligation be recorded. This liability was estimated and recorded at \$10,641,835 as of June 30, 2009. City management will be analyzing this situation to determine future action, if any, that will be taken to fund the deficit balance. In addition, the City has an anticipated liability for a lawsuit that is currently estimated at \$14,034,170. If these liabilities were not recorded, the fund would not have a deficit equity balance.

Note 8 – Internal Balances

The following is a summary of Interfund Receivables/Payables as of June 30, 2009:

Fund	Interfund Receivable	Interfund Payable
General	\$ 2,238,466	\$ 11,449
Capital Improvements	32,000	400,000
Nonmajor Governmental	8,417	2,126,181
Water System	400,000	32,000
Nonmajor Enterprise	5,701	114,954
Totals	<u>\$ 2,684,584</u>	<u>\$ 2,684,584</u>

Interfund Balances represent amounts due to/from other funds including amounts to cover deficit cash balances at June 30, 2009.

CITY OF SIOUX CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 8 - Internal Balances (Continued)

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types					Proprietary Fund Types					Total Transfers Out	
	General	Sales Tax	Debt Service	Capital Improv	Nonmajor Govt	Airport	Parking	Water	Sewer	Solid Waste		Internal Service
General	\$ -	\$ -	\$ 1,600,000	\$ 1,499,829	\$ 1,961,571	\$ -	\$ 300,000	\$ -	\$ -	\$ 7,000	\$ -	\$ 5,368,400
Employee Benefits	12,806,530	-	-	-	634,202	-	-	-	-	-	-	13,440,732
Local Opt Sales Tax	357,135	-	7,273,308	2,728,752	420,944	-	-	-	-	-	-	10,780,139
Debt Service	200,000	-	-	2,715,380	144,911	380,000	-	100,000	175,000	-	-	3,715,291
Capital Improvements	1,246,332	31,690	383,909	-	761,926	-	-	82,922	-	-	682,787	3,189,586
Nonmajor Govt	1,294,953	-	811,655	652,134	932,491	-	-	-	-	-	-	3,691,233
Airport	-	-	-	105,089	-	-	-	-	-	-	-	105,089
Water	-	-	-	11,730	-	-	-	-	-	-	-	11,730
Sewer	-	-	-	33,037	-	-	-	-	-	-	-	33,037
TOTAL TRANSFERS-IN	\$ 15,904,950	\$ 31,690	\$ 10,068,872	\$ 7,745,951	\$ 4,856,045	\$ 380,000	\$ 300,000	\$ 182,922	\$ 175,000	\$ 7,000	\$ 682,787	\$ 40,935,217

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
2. To move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.
3. To use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF SIOUX CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 9 - RESERVES

The following schedule reflects all Reserves of Fund Balances as presented in the Fund Level Statements:

	Fund Balances Reserves					
	Encumbrances	Long Term Notes/Adv. Receivable	Inventory/ Debt Service	Endowment/ Capital Improv.	Joint Venture/ Prepays	Total
General	\$ 311,300	\$ 26,400	\$ ---	\$ ---	\$ 236,635	\$ 574,335
Special Revenue						
Road Use	126,623	---	---	---	---	126,623
Community Development	445,402	7,019,380	---	---	7,635	7,472,417
Housing	2,165	---	---	---	351,528	353,693
Local Option Sales Tax	---	466,663	---	---	---	466,663
Events Facilities	7,102	---	102,331	---	22,039	131,472
Transit Operations	81,212	---	---	---	---	81,212
Total Special Revenue	662,504	7,486,043	102,331	---	381,202	8,632,080
Debt Service	1,311	216,692	3,916,810	---	---	4,134,813
Capital Improvements	28,576,494	9,599,015	---	4,854,761	---	43,030,270
Permanent Fund						
Cemetery Trust	\$ ---	\$ ---	\$ ---	\$ 980,767	\$ ---	\$ 980,767
TOTAL RESERVES OF FUND BALANCES						\$ 57,352,265

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 10 - Risk Management/Contingent Liabilities

The City participates in a number of federally assisted grant programs, principally Federal Aviation Administration, FTA Capital, Planning and Operating Assistance Grants, Federal Highway Construction Grants, and Community Development Block Grant. The programs are subject to financial and compliance audits. The amount of expenditures if any, which may be disallowed by the Grantor agencies is not determinable at this time; however, City officials do not believe that such amounts would be significant.

The City is a defendant in a number of lawsuits in its normal course of operations. The City Attorney estimates that an unfavorable outcome on certain lawsuits is likely and, accordingly, a provision for losses of \$15,684,521 has been established in the accompanying financial statements as of June 30, 2009. A provision for health claims incurred but unpaid as of June 30, 2009, of \$2,762,356 has also been recorded.

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The City has self-insured itself since July 1, 1986 for general liability, automobile, transit and workers compensation. The City began self-insuring health coverage as of July 1, 1988. It is self-insured for health coverage risk up to \$75,000, specific, and 125% of expected annual paid claims in the aggregate.

The self-insurance programs are administered using an internal service fund, the Comprehensive Insurance fund, which records premium revenue as "Charges for Service". All funds of the City participate in the self-insurance programs and make payments to the Comprehensive Insurance fund based on pre-determined amounts needed to pay prior and current year claims and to establish a reserve for future catastrophic losses. Currently, the City is unfunded for reserves to cover incurred but unreported claims and unanticipated claim fluctuations.

The City maintains outside insurance coverage through various insurance policies on buildings and their contents, equipment and property, employee dishonesty, and excess health coverage throughout 2009. There have been no significant reductions in insurance coverage from prior years. The City has had no amount of settlements exceeding insurance coverage for each of the past six fiscal years.

The claims payable, including claims incurred but not yet reported, have been determined by the City's management and have been recorded in the accompanying financial statements. Changes in the fund's claims liability amount were as follows:

Year Ended June 30	Beginning Balance Liability	Claims and Changes in Estimates	Claim Payments	Ending Balance
1997	\$ 3,465,897	\$ 5,152,111	\$ 5,015,413	\$ 3,602,595
1998	3,602,595	4,138,232	4,850,423	2,890,404
1999	2,890,404	4,687,472	4,878,764	2,699,112
2000	2,699,112	6,397,681	5,850,742	3,246,051
2001	3,246,051	9,144,373	7,162,571	5,227,853
2002	5,227,853	8,644,172	8,604,898	5,267,127
2003	5,267,127	7,879,845	8,187,698	4,959,274
2004	4,959,274	6,998,492	8,238,600	3,719,166
2005	3,719,166	7,357,918	8,192,022	2,885,062
2006	2,885,062	9,944,427	9,380,340	3,449,149
2007	3,449,149	11,229,811	11,067,228	3,611,732
2008	3,611,732	10,081,862	9,694,343	3,999,251
2009	\$ 3,999,251	\$25,906,313	\$11,458,687	\$18,446,877

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11 - Commitments

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2009. The following summary presents the amount of contracts outstanding at June 30, 2009:

Construction	\$ 58,820,229
Design & Engineering Services	9,789,914
Other	4,895,545
Less: Due, but unpaid at June 30, 2009	<u>(7,907,151)</u>
Construction Contract Commitments	<u>\$ 65,598,537</u>

In addition to the above construction contract commitments outstanding at June 30, 2009, the City had \$891,853 of purchase orders outstanding and commitments under development agreements totaling \$2,332,750.

Under an agreement with the Iowa Department of Transportation approved by the City Council in June 2008, the City has a commitment to cover the cost to relocate the riverfront trail in accordance with the Interstate 29 Reconstruction Project. The City's share of the costs is estimated at \$1,111,154. The amount is payable upon completion of the project in three equal annual installments with the first installment projected to be due July 1, 2011.

The City Council approved a pre-design agreement with the Iowa Department of Transportation for the Interstate 29 Reconstruction Project (Segment 2) on April 13, 2009. The City's share of the costs is estimated at \$16,556,424.

An agreement for \$88,384 between the City and Burlington Northern Santa Fe Railway Company was approved by Council on May 18, 2009. The agreement calls for railroad signal safety improvements on Pearl Street.

The City Council approved a contract with W.A. Klinger, L.L.C. on June 15, 2009, in the amount of \$4,317,060 for the Airport Terminal Building Renovation Project, Phase 2 at the Sioux Gateway Airport. The approval is subject to the City receiving the final payment of the Federal Aviation Administration (FAA) stimulus funds grant.

Note 12 - Deferred Revenues

Deferred Revenues, which are measurable but not yet available at June 30, 2009, are as follows:

	<u>EXHIBIT 1</u>	<u>EXHIBIT 3</u>	<u>EXHIBIT 5</u>
Property Taxes	\$ 50,531,259	\$ 50,763,021	\$ ---
Special Assessments	---	1,054,797	---
Unearned Revenue	<u>1,209,610</u>	<u>41,221</u>	<u>1,209,610</u>
Total Deferred Revenues	<u>\$ 51,740,869</u>	<u>\$ 51,859,039</u>	<u>\$ 1,209,610</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 13 - Joint Venture

The Woodbury County Information and Communication Commission (WCICC) was formed in fiscal year 1988. WCICC was established to operate a combined data processing and communications center for the City and the County. Each governmental unit selects two of its members to serve on the commission and a fifth member is selected by the commission. The operating budget is approved by both governments with contributions for operations from both. All assets, liabilities and equity are owned on a 60/40 basis. Summary financial information as of, and for the fiscal year ended June 30, 2009, is presented as follows:

Fixed Assets	\$ 1,212,663
Other Assets	<u>675,823</u>
Total Assets	<u>1,888,486</u>
Total Liabilities	281,431
Fund Equity	<u>1,607,055</u>
Total Liabilities and Fund Equity	<u>1,888,486</u>
Total Revenue	2,502,954
Total Expenditures	<u>(2,276,094)</u>
Net Increase in Fund Balance	<u>\$ 226,860</u>

The Woodbury County Information and Communication Commission does not publish a Comprehensive Annual Financial Report. The City's share of the fixed assets are reported in governmental activities.

City's Share of Joint Venture	
Assets	60%
Liabilities	60%
Equity	60%

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 14 - Post-Employment Health Care Benefits

During fiscal 2007, the City adopted the provisions of GASB 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions". The major change under GASB 45 is to attribute the cost of post-employment benefits to the time during which the employee is working for the employer. Accordingly, a prospective liability is recorded at June 30, 2009 for a Post-Employment Benefit Obligation as determined by an actuarial calculation.

Plan Description. The City offers medical insurance benefits to eligible retirees and their spouses. The benefits are covered under the City's health care plan with the premium cost to be paid by the retiree. The City is self-insured for medical benefits. Premiums are calculated based on prior year claim experiences and amounts needed to fund the plan operations. No stand alone financial report is issued, the plan is self-funded and included in the City's financial statements.

Funding Policy. The City is currently reviewing its options on funding the plan.

Annual OPEB Cost and NET OPEB Obligation. The City's postemployment benefit plan is a single-employer defined benefit plan. The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

Annual required contribution	\$ 4,426,266
Interest on net OPEB obligation	182,588
Adjustment to annual required contribution	<u>(146,333)</u>
Annual OPEB cost (expense)	4,462,521
Contributions made	<u>(852,249)</u>
Increase in net OPEB obligation	3,610,272
Net OPEB obligation – beginning of year	<u>7,031,563</u>
Net OPEB obligation – end of year	<u>\$ 10,641,835</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2007 through 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	\$ 4,032,002	16.2%	\$ 3,379,801
2008	4,233,602	13.7%	7,031,563
2009	\$ 4,462,521	19.1%	\$ 10,641,835

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2009, was as follows:

Actuarial accrued liability (AAL)	\$ 47,002,628
Actuarial value of plan assets	---
Unfunded actuarial accrued liability (UAAL)	<u>\$ 47,002,628</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 39,629,916
UAAL as a percentage of covered payroll	118.6%

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 14 – (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point and do not explicitly reflect the potential effects of legal or contractual funding limitations. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 5% interest discount rate and an annual medical healthcare cost trend rate of 11% initially, reduced by decrements to an ultimate rate of 5% after 10 years. Assumptions also include an annual prescription drug cost trend rate of 14% initially, reduced by decrements to an ultimate rate of 6% after 10 years. Assumptions include a 3.25% rate of inflation and a 4.0% growth in payroll per annum. The unfunded actuarial accrued liability (UAAL) is being amortized over 30 years from establishment. Differences between the expected and actual UAAL in future years will be amortized over 30 years.

Note 15 - Employee Benefits

Vacation hours for City employees are accumulated for subsequent use or for payment upon termination, retirement or death up to a maximum ranging from 120 to 200 hours based upon number of years employed.

Severance pay is paid to all employees of the Professional, Administrative, Technical, Supervisory, Executive and Council Appointed employees group (PATs), with a minimum of 15 years of consecutive service with the City. The pay is based on three day's pay for each full twelve months of consecutive service upon retirement, resignation, death or termination (other than for disciplinary reasons).

Vacation and severance pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. At June 30, 2009, three employment agreements involving termination benefits were in effect. These termination benefits include severance, health, life and long term disability benefits. Current liabilities of \$3,217 are recorded in the governmental funds. The long-term portion of \$184,212 is reported in the governmental activities in the government-wide statements and \$5,143 is reported in the internal service funds. The liabilities were calculated based on current salary rates and benefit cost at the time of statement preparation.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 15 - (Continued)

City employees accumulate sick leave hours for subsequent use. Sick leave hours are not a vested benefit and expire if unused upon termination, death or retirement, with the exception of the Transit System's employees covered by the Amalgamated Transit Union Agreement with the City of Sioux City. These employees receive a benefit of up to 120 days of paid sick leave upon death or retirement. The accumulated sick leave under this agreement for transit employees is recorded only in the government-wide financial statements. All other accumulated sick leave is not recognized as an expenditure until used or paid as it is not measurable at June 30, 2009.

Compensated absences consist of the following amounts as of June 30, 2009:

Accrued Vacation	\$ 2,583,662
Accrued Severance Pay	973,506
Accrued Transit Sick Leave	126,661
Accrued Termination Benefits	192,572
Total	<u>\$ 3,876,401</u>

Compensated absences have been recorded as follows:

	<u>CURRENT</u>	<u>LONG-TERM</u>	<u>TOTAL</u>
Enterprise Funds	\$ 231,604	\$ 194,881	\$ 426,485
Internal Service Funds	118,658	96,484	215,142
Government-Wide Statement	2,010,786	1,223,988	3,234,774
	<u>\$ 2,361,048</u>	<u>\$ 1,515,353</u>	<u>\$ 3,876,401</u>

Note 16 - Pension and Retirement

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The City contributes to the Iowa Public Employees' Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the City is required to contribute 6.35% of annual covered payroll. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$1,623,512, \$1,500,123, and \$1,359,664, respectively, equal to the required contributions for each year.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 16 - (Continued)

POLICE AND FIRE RETIREMENT SYSTEM

The City contributes to the Municipal Fire & Police Retirement System of Iowa (MFPRSI) which is a cost-sharing multiple-employer defined benefit pension plan administered by a Board of Trustees appointed by the State of Iowa. MFPRSI provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 2836 104th Street, Urbandale, Iowa, 50322.

Plan members are required to contribute 9.35% of earnable compensation. The employers' contribution rate is based upon an actuarially determined normal contribution rate. The normal contribution rate is provided by State statute to be the actuarial liabilities of the plan less current plan assets, the total then being divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions. Legislatively appropriated contributions from the State may further reduce the employers' contribution rate. However, under the Code of Iowa, the employers' contribution rate cannot be less than 17.00 percent of earnable compensation. Contribution requirements are established by State statute. The City's contribution to MFPRSI for the years ended June 30, 2009, 2008 and 2007 were \$2,774,173 (18.75%), \$3,608,080 (25.48%), and \$3,743,761 (27.75%), respectively, equal to the required contributions for each year.

Note 17 - Landfill Closures and Post-Closure Care Costs

State and federal laws and regulations require the City's Solid Waste System to place a final cover on its 28th Street landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill was closed as of October 1, 2007. A consulting engineer's estimate for total costs prepared as of March 2, 2009, was \$1,877,947. This full amount has been accrued by the City as of June 30, 2009. Of this amount, it was estimated that \$64,122 would be incurred within the next fiscal year. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The State of Iowa specifies financial assurance requirements in Code Section 567-Chapter 11. The Iowa Code enumerates various allowable financial assurance mechanisms to meet the costs of closure and post-closure care. The City satisfies this requirement with a Local Government Dedicated Fund passed and approved on June 16, 2003, under Resolution 2003-000501.

Note 18 - Extraordinary Loss

During the year ended June 30, 2009, the City was named in a lawsuit in which the City legal staff feels that it is likely that an unfavorable outcome will be returned, and the amount at year end was estimable. The estimated potential liability at year-end was calculated at \$14,034,170. Because the City is self-insured and exposed to risks of this type the above amount was recorded as a liability on the City's financial statements.

SIOUXTM
CITY

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

In accordance with the Governmental Accounting Standards Board Statements No. 25, No. 27 and No. 34, the following information is a required part of the general purpose financial statements.

SILOUXTM
CITY

CITY OF SIOUX CITY, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL - ALL GOVERNMENTAL AND PROPRIETARY FUNDS¹
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Fund Types Actual	Internal Service Funds Actual	Proprietary Funds Actual	Total Actual
<u>REVENUES</u>				
Taxes	\$ 65,343,777	\$ ---	\$ ---	\$ 65,343,777
Special Assessments	180,335	---	---	180,335
Regulatory Fees	1,318,657	---	---	1,318,657
Intergovernmental Revenue ²	23,609,689	---	2,329,283	25,938,972
Revenue from Use of Property	5,710,225	126,733	1,869,421	7,706,379
Charges for Service	8,095,902	23,005,352	33,751,261	64,852,515
Miscellaneous	1,842,753	84,352	1,670,839	3,597,944
Total Revenues	106,101,338	23,216,437	39,620,804	168,938,579
<u>EXPENDITURES</u>				
Public Safety	30,633,912	---	---	30,633,912
Public Works	13,857,068	---	---	13,857,068
Culture and Recreation	15,830,037	---	---	15,830,037
Community and Economic Development	9,150,589	---	---	9,150,589
General Government	2,756,647	---	---	2,756,647
Debt Service	23,449,620	---	2,251,949	25,701,569
Capital Projects ²	25,298,862	---	---	25,298,862
Business-Type/Enterprises ²	---	40,936,265	29,144,607	70,080,872
Total Expenditures	120,976,735	40,936,265	31,396,556	193,309,556
Excess (Deficiency) of Revenues Over Expenditures	(14,875,397)	(17,719,828)	8,224,248	(24,370,977)
<u>OTHER FINANCING SOURCES (USES)</u>				
Other Financing Sources	62,254,981	682,787	1,044,922	63,982,690
Other Financing Uses	(46,923,694)	---	(149,856)	(47,073,550)
Total Other Financing Sources	15,331,287	682,787	895,066	16,909,140
Net Change in Fund Balance (Deficit)	455,890	(17,037,041)	9,119,314	\$ (7,461,837)
Fund Balance - Beg. of Year	71,130,896	8,136,911	95,006,787	
Fund Balance (Deficit)- End of Year	\$ 71,586,786	\$ (8,900,130)	\$ 104,126,101	

Notes:

¹ In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing which includes all funds, except agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. The City budgets on a modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary fund types. Formal and legal budgetary control is based upon eight major classes of expenditures known as functions, not by fund or fund type. These eight functions are: Public Safety, public Works, Culture and Recreation, Community and Economic Development, General Government, Debt service, capital projects, and Business-Type/Enterprises. The legal level of control is at the aggregated function level, not at the fund or fund type level.

² Intergovernmental revenue and the expenditures for capital projects and enterprises are significantly below budgeted amounts due to the timing of when projects are actually completed and the corresponding revenue is received.

EXHIBIT 9

Budgeted Amounts		Final Budget Over (Under)
Original	Final	
\$ 65,240,219	\$ 65,240,219	\$ 103,558
298,000	298,000	(117,665)
1,475,777	1,975,777	(657,120)
28,887,512	43,061,128	(17,122,156)
8,715,600	14,715,600	(7,009,221)
65,247,873	68,636,758	(3,784,243)
17,755,260	26,898,207	(23,300,263)
187,620,241	220,825,689	(51,887,110)
29,887,065	33,618,346	(2,984,434)
14,770,278	19,939,770	(6,082,702)
16,294,630	22,940,483	(7,110,446)
25,260,180	29,292,953	(20,142,364)
6,540,563	9,524,488	(6,767,841)
26,522,698	39,204,198	(13,502,629)
100,099,532	142,216,976	(116,918,114)
119,064,443	155,621,071	(85,540,199)
338,439,389	452,358,285	(259,048,729)
(150,819,148)	(231,532,596)	207,161,619
100,187,178	183,884,970	(119,902,280)
(47,261,157)	(51,829,181)	(4,755,631)
52,926,021	132,055,789	(115,146,649)
(97,893,127)	(99,476,807)	\$ 92,014,970
27,000,546	27,000,546	
\$ (70,892,581)	\$ (72,476,261)	

**CITY OF SIOUX CITY, IOWA
POST EMPLOYMENT HEALTHCARE BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2005 *	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2006 *	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2007 \$	---	\$47,002,628	\$47,002,628	0.00%	\$39,151,301	120.1%
6/30/2008 \$	---	\$47,002,628	\$47,002,628	0.00%	\$38,749,440	121.3%
6/30/2009 \$	---	\$47,002,628	\$47,002,628	0.00%	\$39,629,916	118.6%

* Fiscal 2007 was the first year for calculating the Post Employment Benefit Obligation so information from previous years is not available.

CITY OF SIOUX CITY, IOWA
OTHER SUPPLEMENTARY INFORMATION

**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The following funds included in this fund type and their purposes are as follows:

MAJOR FUNDS:

Other Employee Benefits - To account for the City's employee benefits tax levy.

Local Option Sales Tax - To account for revenue generated by the one percent local option sales tax.

NON-MAJOR FUNDS:

Emergency Fund - To account for the Emergency Levy.

Storm Water Drainage - To account for the collection of revenues for Storm Water Drainage Fees.

Road Use - To account for State revenues allocated to the City for maintenance and improvement of City streets.

Community Development - To account for the use of Community Development Block Grant Funds as received from the Federal Government.

Housing - To account for the operations of Federal Section 8, low income housing projects and municipally sponsored rent payment assistance programs.

Main Street - To account for the collection of a levy to fund the revitalization of the City's downtown area.

Younkers Self-Improvement District - To account for revenue generated by the self-improvement district.

Events Facilities - To account for revenue generated by the operations of the Convention Center and the Tyson Events Center.

Transit System - To account for the Transit levy and operations of the City's bus and other transit services.

Permanent Fund - Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The following fund included in this fund type and its purpose is as follows:

Cemetery Trust - To account for the activity of the cemeteries of the City.

**CITY OF SIOUX CITY, IOWA
COMBINING BALANCE SHEET
GOVERNMENTAL NONMAJOR FUNDS
JUNE 30, 2009**

Special Revenue Funds

ASSETS

	Emergency Fund	Storm Water Drainage	Road Use	Community Development	Housing
Cash and Cash Equivalents	\$ 2,476,039	\$ 887,965	\$ 65	\$ 342,094	\$ 1,309,044
Accounts Receivable	---	61,004	2,151	---	46,293
Accrued Interest Receivable	---	---	---	270,597	---
Notes Receivable	---	---	---	7,019,380	---
Due from Other Governments	567,011	---	575,505	347,551	2,156
Due from Other Funds	---	---	---	---	---
Inventories	---	---	---	---	---
Prepaid Items	---	---	---	7,635	351,528
Total Assets	<u>3,043,050</u>	<u>948,969</u>	<u>577,721</u>	<u>7,987,257</u>	<u>1,709,021</u>

LIABILITIES

Accounts Payable	---	---	112,374	51,898	79,094
Accrued Wages	---	---	97,350	17,890	18,214
Contracts & Retainers Payable	---	---	65,090	140,408	---
Due to Other Governments	---	10,528	---	---	---
Due to Other Funds	---	---	---	---	---
Deferred Revenue	<u>557,538</u>	---	---	---	<u>41,221</u>
Total Liabilities	557,538	10,528	274,814	210,196	138,529

FUND BALANCES

Reserved for Encumbrances	---	---	126,623	445,402	2,165
Reserved for Endowment, non-expendable	---	---	---	---	---
Reserved for Inventories	---	---	---	---	---
Reserved for Long-Term Notes	---	---	---	7,019,380	---
Reserved for Prepaid Items	---	---	---	7,635	351,528
Unreserved, undesignated reported in:					
Special Revenue Funds	<u>2,485,512</u>	<u>938,441</u>	<u>176,284</u>	<u>304,644</u>	<u>1,216,799</u>
Total Fund Balances (Deficit)	<u>2,485,512</u>	<u>938,441</u>	<u>302,907</u>	<u>7,777,061</u>	<u>1,570,492</u>
Total Liabilities and Fund Balances	<u>\$ 3,043,050</u>	<u>\$ 948,969</u>	<u>\$ 577,721</u>	<u>\$ 7,987,257</u>	<u>\$ 1,709,021</u>

Special Revenue Funds				Permanent Fund	
Main Street	Younkers Self-Impr. District	Events Facilities	Transit Operations	Cemetery Trust	Total Governmental Nonmajor Funds
\$ 39,092	\$ ---	\$ ---	\$ ---	\$ 980,767	\$ 6,035,066
---	---	89,800	32,696	---	231,944
---	---	---	---	---	270,597
---	---	---	---	---	7,019,380
138,549	---	---	1,457,159	---	3,087,931
---	---	8,417	---	---	8,417
---	---	102,331	---	---	102,331
---	---	22,039	---	---	381,202
<u>177,641</u>	<u>---</u>	<u>222,587</u>	<u>1,489,855</u>	<u>980,767</u>	<u>17,136,868</u>
---	---	593,554	36,466	---	873,386
---	---	70,326	48,708	---	252,488
---	---	---	28,753	---	234,251
---	---	1,291	---	---	11,819
---	---	622,266	1,503,915	---	2,126,181
<u>134,701</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>733,460</u>
134,701	---	1,287,437	1,617,842	---	4,231,585
---	---	7,102	81,212	---	662,504
---	---	---	---	980,767	980,767
---	---	102,331	---	---	102,331
---	---	---	---	---	7,019,380
---	---	22,039	---	---	381,202
<u>42,940</u>	<u>---</u>	<u>(1,196,322)</u>	<u>(209,199)</u>	<u>---</u>	<u>3,759,099</u>
<u>42,940</u>	<u>---</u>	<u>(1,064,850)</u>	<u>(127,987)</u>	<u>980,767</u>	<u>12,905,283</u>
<u>\$ 177,641</u>	<u>\$ ---</u>	<u>\$ 222,587</u>	<u>\$ 1,489,855</u>	<u>\$ 980,767</u>	<u>\$ 17,136,868</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Special Revenue Funds

REVENUES

	Emergency Fund	Storm Water Drainage	Road Use	Community Development	Housing
Taxes	\$ 537,246	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	---	9,697	---	---	---
Intergovernmental Revenue	---	---	7,048,870	2,476,113	4,729,747
Revenue from Use of Property	---	---	2,348	---	---
Charges for Services	---	1,285,013	726	---	---
Interest	---	9,357	---	222,030	9,458
Miscellaneous	---	222	40,249	85,398	2,640
Total Revenue	537,246	1,304,289	7,092,193	2,783,541	4,741,845

EXPENDITURES

Current:

Public Works	---	117,642	8,029,716	---	---
Culture and Recreation	---	---	---	---	---
Community and Economic Development	---	---	---	2,708,908	4,837,488
Total Expenditures	---	117,642	8,029,716	2,708,908	4,837,488

Excess (Deficiency) of

Revenues Over Expenditures	537,246	1,186,647	(937,523)	74,633	(95,643)
----------------------------	---------	-----------	-----------	--------	----------

OTHER FINANCING SOURCES (USES)

Proceeds from the Sale of Capitalized Assets	---	---	---	6,062	---
Transfers In	52,459	207,960	880,033	2,286	---
Transfers Out	(2,113,384)	(1,226,572)	---	(28,805)	---

Total Other Financing

Sources (Uses)	(2,060,925)	(1,018,612)	880,033	(20,457)	---
----------------	-------------	-------------	---------	----------	-----

Net Change in Fund Balance

	(1,523,679)	168,035	(57,490)	54,176	(95,643)
--	-------------	---------	----------	--------	----------

Fund Balance (Deficit) - Beginning of Year

	4,009,191	770,406	360,397	7,722,885	1,666,135
--	-----------	---------	---------	-----------	-----------

Fund Balance (Deficit) - End of Year

	\$ 2,485,512	\$ 938,441	\$ 302,907	\$ 7,777,061	\$ 1,570,492
--	--------------	------------	------------	--------------	--------------

Special Revenue Funds				Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Younkers Self-Impr. District	Events Facilities	Transit Operations	Cemetery Trust	
\$ 128,361	\$ ---	\$ ---	\$ ---	\$ ---	\$ 665,607
---	---	---	---	---	9,697
---	---	---	1,890,176	---	16,144,906
---	---	3,712,884	74,727	9,446	3,799,405
---	---	795,246	1,267,776	---	3,348,761
---	---	---	---	---	240,845
---	---	321,868	123,349	---	573,726
128,361	---	4,829,998	3,356,028	9,446	24,782,947
---	---	---	4,187,269	---	12,334,627
---	---	8,001,578	---	---	8,001,578
277,000	---	---	---	---	7,823,396
277,000	---	8,001,578	4,187,269	---	28,159,601
(148,639)	---	(3,171,580)	(831,241)	9,446	(3,376,654)
---	---	---	---	---	6,062
144,911	1,587	2,685,809	881,000	---	4,856,045
(52,459)	---	---	(270,013)	---	(3,691,233)
92,452	1,587	2,685,809	610,987	---	1,170,874
(56,187)	1,587	(485,771)	(220,254)	9,446	(2,205,780)
99,127	(1,587)	(579,079)	92,267	971,321	15,111,063
\$ 42,940	\$ ---	\$ (1,064,850)	\$ (127,987)	\$ 980,767	\$ 12,905,283

SIOUXTM
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**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
ENTERPRISE FUNDS**

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The following funds included in this fund type and their purposes are as follows:

MAJOR FUNDS:

Airport System - To account for the operations of the Sioux Gateway Airport.

Water System - To account for the operations of the City's water facilities and services.

Sewer System - To account for the operations of the City's sewage treatment facilities and services.

Solid Waste System - To account for the operations of the City's sanitary landfill facilities.

NON-MAJOR FUNDS:

Parking Facilities - To account for the operations of the City-owned parking ramps and other parking facilities.

Skyway System - To account for the maintenance and security of the skyway system.

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2009

<u>ASSETS</u>	Parking Facilities	Skyway System	Totals
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 534,342	\$ ---	\$ 534,342
Accounts Receivable	106,712	128,785	235,497
Accrued Interest Receivable	763	---	763
Due from Other Funds	---	5,701	5,701
Total Current Assets	641,817	134,486	776,303
<u>Non-Current Assets</u>			
Fixed Assets, Net of Accumulated Depreciation	9,637,990	---	9,637,990
Total Assets	10,279,807	134,486	10,414,293
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	62,998	15,330	78,328
Accrued Wages and Compensated Absences	48,595	4,202	52,797
Accrued Interest Payable	7,090	---	7,090
Contracts and Retainers Payable	11,340	---	11,340
Due to Other Funds	---	114,954	114,954
Current Portion of G.O. Bonds	391,363	---	391,363
Matured Bonds and Coupons Payable	7,613	---	7,613
Deferred Revenue	875,000	---	875,000
Total Current Liabilities	1,403,999	134,486	1,538,485
<u>Non-Current Liabilities</u>			
General Obligation Bonds, Net of Current Portion	1,857,933	---	1,857,933
Total Non-current Liabilities	1,857,933	---	1,857,933
Total Liabilities	3,261,932	134,486	3,396,418
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	7,388,694	---	7,388,694
Unrestricted	(370,819)	---	(370,819)
Total Net Assets	\$ 7,017,875	\$ ---	\$ 7,017,875

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>OPERATING REVENUES</u>	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
Charges for Services	\$ 1,219,013	\$ 318,624	\$ 1,537,637
Total Operating Revenues	1,219,013	318,624	1,537,637
<u>OPERATING EXPENSES</u>			
Employee Services	568,225	39,543	607,768
Supplies and Services	473,064	150,127	623,191
Repairs and Improvements	222,969	75,165	298,134
Utilities	6,457	53,789	60,246
Depreciation	301,109	---	301,109
Total Operating Expenses	1,571,824	318,624	1,890,448
Operating (Loss)	(352,811)	---	(352,811)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	5,336	---	5,336
Interest Expense	(99,749)	---	(99,749)
Total Non-Operating Revenues	(94,413)	---	(94,413)
(Loss) Before Transfers	(447,224)	---	(447,224)
Transfers In	300,000	---	300,000
Changes in Net Assets	(147,224)	---	(147,224)
Net Assets - Beginning of Year	7,165,099	---	7,165,099
Net Assets - End of Year	\$ 7,017,875	\$ ---	\$ 7,017,875

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Parking Facilities	Skyway System	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 1,251,968	\$ 304,850	\$ 1,556,818
Cash Paid for Personal Services	(565,375)	(38,830)	(604,205)
Cash Paid to Suppliers	(1,392,928)	(266,020)	(1,658,948)
Net Cash (Used) by Operating Activities	(706,335)	---	(706,335)
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition and Construction of Capital Assets	(130,840)	---	(130,840)
Principal Paid on Notes and Bonds	(390,679)	---	(390,679)
Interest Paid on Notes and Bonds	(101,082)	---	(101,082)
Net Cash (Used) by Capital and Related Financing Activities	(622,601)	---	(622,601)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	300,000	---	300,000
Net Cash Provided by Non-Capital Financing Activities	300,000	---	300,000
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	8,707	---	8,707
Net Cash Provided by Investing Activities	8,707	---	8,707
Net (Decrease) in Cash and Cash Equivalents	(1,020,229)	---	(1,020,229)
Cash and Cash Equivalents at Beginning of Year	1,554,571	---	1,554,571
Cash and Cash Equivalents at End of Year	<u>\$ 534,342</u>	<u>\$ ---</u>	<u>\$ 534,342</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>			
<u>PROVIDED BY OPERATING ACTIVITIES</u>			
Operating (Loss)	\$ (352,811)	\$ ---	\$ (352,811)
<i>Adjustments to Reconcile Operating (Loss)</i> <i>to Net Cash (Used) by Operating Activities:</i>			
Depreciation	301,109	---	301,109
<i>(Increase) Decrease in Assets and</i> <i>Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	32,955	(16,884)	16,071
Due from Other Funds	---	3,110	3,110
Accounts Payable	710	5,098	5,808
Accrued Wages and Compensated Absences	2,850	713	3,563
Contracts and Retainers Payable	(586,148)	---	(586,148)
Due to Other Funds	---	7,963	7,963
Deferred Revenues	(105,000)	---	(105,000)
Total Adjustments	(353,524)	---	(353,524)
Net Cash (Used) by Operating Activities	<u>\$ (706,335)</u>	<u>\$ ---</u>	<u>\$ (706,335)</u>

**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
INTERNAL SERVICE FUNDS**

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

The following funds included in this fund type and their purposes are as follows:

Central Maintenance Garage - To account for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

Comprehensive Insurance - To account for the funding and maintenance of the City's insurance policies provided to user departments.

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2009

	<u>Central Maintenance Garage</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 4,465,346	\$ 7,775,401	\$ 12,240,747
Accounts Receivable	111,091	24,253	135,344
Accrued Interest Receivable	---	6,711	6,711
Notes Receivable	93,193	---	93,193
Inventories, at Cost	316,509	---	316,509
Prepaid Items	---	172,643	172,643
Total Current Assets	4,986,139	7,979,008	12,965,147
<u>Non-Current Assets</u>			
Capital Assets, Net of Accumulated Depreciation	7,860,516	---	7,860,516
Total Assets	12,846,655	7,979,008	20,825,663
<u>LIABILITIES</u>			
Accounts Payable	274,932	88,248	363,180
Accrued Wages and Compensated Absences	157,106	114,995	272,101
Contracts and Retainers Payable	---	1,800	1,800
Post Employment Benefit Obligation	---	10,641,835	10,641,835
Estimated Liability for Damage Claims	---	18,446,877	18,446,877
Total Liabilities	432,038	29,293,755	29,725,793
<u>NET ASSETS</u>			
Invested in Capital Assets	7,860,516	---	7,860,516
Unrestricted	4,554,101	(21,314,747)	(16,760,646)
Total Net Assets	\$ 12,414,617	\$ (21,314,747)	\$ (8,900,130)

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES AND
EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Central Maintenance Garage</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>OPERATING REVENUE</u>			
Revenue from Use of Property	\$ 59,057	\$ 500	\$ 59,557
Charges for Services	8,556,156	14,449,196	23,005,352
Total Operating Revenues	8,615,213	14,449,696	23,064,909
<u>OPERATING EXPENSES</u>			
Employee Services	1,872,314	15,345,365	17,217,679
Supplies and Services	680,045	948,803	1,628,848
Repairs and Improvements	4,228,812	10,224	4,239,036
Utilities	32,889	374	33,263
Depreciation	2,800,805	---	2,800,805
Damage Settlement	---	15,016,634	15,016,634
Total Operating Expenses	9,614,865	31,321,400	40,936,265
Net Operating (Loss)	(999,652)	(16,871,704)	(17,871,356)
<u>NON-OPERATING REVENUES</u>			
Interest Income	5,744	61,432	67,176
Gain on Sale of Capital Assets	83,102	---	83,102
Other Non-Operating Revenues	1,250	---	1,250
Total Non-Operating Revenues	90,096	61,432	151,528
(Loss) Before Transfers	(909,556)	(16,810,272)	(17,719,828)
Transfers In	682,787	---	682,787
Changes in Net Assets	(226,769)	(16,810,272)	(17,037,041)
Net Assets - Beginning of Year	12,641,386	(4,504,475)	8,136,911
Net Assets - End of Year	<u>\$ 12,414,617</u>	<u>\$ (21,314,747)</u>	<u>\$ (8,900,130)</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Central Maintenance Garage	Comprehensive Insurance	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 8,560,221	\$ 14,427,322	\$ 22,987,543
Cash Paid for Personal Services	(1,850,193)	(11,716,185)	(13,566,378)
Cash Paid to Suppliers	(4,917,438)	(1,623,124)	(6,540,562)
Other Non-Operating Revenue	1,250	---	1,250
Net Cash Provided by Operating Activities	1,793,840	1,088,013	2,881,853
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition and Construction of Capital Assets	(2,379,428)	---	(2,379,428)
Proceeds from Sale of Assets	283,117	---	283,117
Net Cash (Used) by Capital and Related Financing Activities	(2,096,311)	---	(2,096,311)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	682,787	---	682,787
Net Cash Provided by Non-Capital Financing Activities	682,787	---	682,787
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	6,311	67,666	73,977
Payments Received on Notes Receivable	42,952	---	42,952
Net Cash Provided by Investing Activities	49,263	67,666	116,929
Net Increase in Cash and Cash Equivalents	429,579	1,155,679	1,585,258
Cash and Cash Equivalents at Beginning of Year	4,035,767	6,619,722	10,655,489
Cash and Cash Equivalents at End of Year	<u>\$ 4,465,346</u>	<u>\$ 7,775,401</u>	<u>\$ 12,240,747</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>			
<u>PROVIDED BY OPERATING ACTIVITIES</u>			
Operating (Loss)	\$ (999,652)	\$ (16,871,704)	\$ (17,871,356)
<i>Adjustments to Reconcile Operating (Loss)</i>			
<i>to Net Cash Provided by Operating Activities:</i>			
Depreciation	2,800,805	---	2,800,805
Other Non-Operating Revenues	1,250	---	1,250
(Increase) Decrease in Assets and			
Increase (Decrease) in Liabilities:			
Accounts Receivable	(54,992)	(22,374)	(77,366)
Other Non-Operating Revenue	---	---	---
Due from Other Governments	---	---	---
Inventories	(5,597)	---	(5,597)
Prepaid Items	---	(172,643)	(172,643)
Accounts Payable	29,905	79,275	109,180
Accrued Wages and Compensated Absences	22,121	18,908	41,029
Contracts and Retainers Payable	---	(1,347)	(1,347)
Due to Other Funds	---	---	---
Post Employment Benefit Obligation	---	3,610,272	3,610,272
Estimated Liability for Damage Claims	---	14,447,626	14,447,626
Total Adjustments	2,793,492	17,959,717	20,753,209
Net Cash Provided by Operating Activities	<u>\$ 1,793,840</u>	<u>\$ 1,088,013</u>	<u>\$ 2,881,853</u>

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**CITY OF SIOUX CITY, IOWA
COMBINING AND INDIVIDUAL FUND STATEMENTS
FIDUCIARY FUNDS**

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The following represents the funds and/or government agencies for which the City acts in an agent capacity.

Sioux City Housing Trust – To account for the activity of the Sioux City Housing Trust Fund.

Revolving - To account for refunds to City customers.

Woodbury County Information Communication Commission (WCICC) - To account for the activity of the WCICC.

Museum Building Property, Inc. – To account for the activity of Museum Building Property, Inc.

Siouxland Historic Auditorium Restoration Project (SHARP) – To account for the activity of the SHARP.

CITY OF SIOUX CITY, IOWA
 COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
 JUNE 30, 2009

	Sioux City Housing Trust Fund	Revolving	Woodbury County Information Communication Commission	Museum Building Property Inc.	Siouxland Historic Auditorium Restoration Project (SHARP)	Totals
ASSETS						
Cash and Cash Equivalents	\$ ---	\$ ---	\$ 279,019	\$ 262,251	\$ ---	\$ 541,270
Accounts Receivable	---	30,119	76,739	---	---	106,858
Due from Other Governments	42,866	---	20,064	---	---	62,930
Total Assets	<u>42,866</u>	<u>30,119</u>	<u>375,822</u>	<u>262,251</u>	<u>---</u>	<u>711,058</u>
LIABILITIES						
Accounts Payable	---	30,119	---	---	---	30,119
Due to Other Governments	42,866	---	375,822	262,251	---	680,939
Total Liabilities	<u>42,866</u>	<u>30,119</u>	<u>375,822</u>	<u>262,251</u>	<u>---</u>	<u>711,058</u>
Total Net Assets	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

**SIOUX CITY HOUSING
TRUST FUND**

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 110,581	\$ ---	\$ 110,581	\$ ---
Due from Other Governments	---	42,866	---	42,866
Total Assets	<u>110,581</u>	<u>42,866</u>	<u>110,581</u>	<u>42,866</u>
<u>LIABILITIES</u>				
Due to Other Governments	110,581	42,866	110,581	42,866
Total Liabilities	<u>\$ 110,581</u>	<u>\$ 42,866</u>	<u>\$ 110,581</u>	<u>\$ 42,866</u>

REVOLVING

ASSETS

Cash and Cash Equivalents	\$ 173,438	\$ 1,335,055	\$ 1,508,493	\$ ---
Accounts Receivable	27,700	2,419	---	30,119
Total Assets	<u>201,138</u>	<u>1,337,474</u>	<u>1,508,493</u>	<u>30,119</u>

LIABILITIES

Accounts Payable	201,138	1,337,474	1,508,493	30,119
Total Liabilities	<u>\$ 201,138</u>	<u>\$ 1,337,474</u>	<u>\$ 1,508,493</u>	<u>\$ 30,119</u>

**WOODBURY COUNTY INFORMATION
COMMUNICATION COMMISSION
(WCICC)**

ASSETS

Cash and Cash Equivalents	\$ 467,606	\$ 3,778,102	\$ 3,966,689	\$ 279,019
Accounts Receivable	19,209	647,881	590,351	76,739
Due from Other Governments	---	97,983	77,919	20,064
Total Assets	<u>486,815</u>	<u>4,523,966</u>	<u>4,634,959</u>	<u>375,822</u>

LIABILITIES

Due to Other Governments	486,815	4,523,966	4,634,959	375,822
Total Liabilities	<u>\$ 486,815</u>	<u>\$ 4,523,966</u>	<u>\$ 4,634,959</u>	<u>\$ 375,822</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

MUSEUM BUILDING PROPERTY INC.	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 790,524	\$ 455,516	\$ 983,789	\$ 262,251
Accounts Receivable	17,333	---	17,333	---
Total Assets	<u>807,857</u>	<u>455,516</u>	<u>1,001,122</u>	<u>262,251</u>
<u>LIABILITIES</u>				
Due to Other Governments	<u>807,857</u>	<u>455,516</u>	<u>1,001,122</u>	<u>262,251</u>
Total Liabilities	<u>\$ 807,857</u>	<u>\$ 455,516</u>	<u>\$ 1,001,122</u>	<u>\$ 262,251</u>
 SIOUXLAND HISTORIC AUDITORIUM RESTORATION PROJECT (SHARP)				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ ---	\$ 12,000	\$ 12,000	\$ ---
Total Assets	<u>---</u>	<u>12,000</u>	<u>12,000</u>	<u>---</u>
<u>LIABILITIES</u>				
Due to Other Governments	<u>---</u>	<u>12,000</u>	<u>12,000</u>	<u>---</u>
Total Liabilities	<u>\$ ---</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ ---</u>
 TOTAL - ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,542,149	\$ 5,580,673	\$ 6,581,552	\$ 541,270
Accounts Receivable	64,242	650,300	607,684	106,858
Due from Other Governments	---	140,849	77,919	62,930
Total Assets	<u>1,606,391</u>	<u>6,371,822</u>	<u>7,267,155</u>	<u>711,058</u>
<u>LIABILITIES</u>				
Accounts Payable	201,138	1,337,474	1,508,493	30,119
Due to Other Governments	<u>1,405,253</u>	<u>5,034,348</u>	<u>5,758,662</u>	<u>680,939</u>
Total Liabilities	<u>\$ 1,606,391</u>	<u>\$ 6,371,822</u>	<u>\$ 7,267,155</u>	<u>\$ 711,058</u>

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CITY OF SIOUX CITY, IOWA

STATISTICAL SECTION

CITY OF SIOUX CITY, IOWA

STATISTICAL SECTION

(Unaudited)

This part of the City of Sioux City's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures and supplementary information. This information has not been audited by the independent auditor.

Contents

Table

Financial Trends

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.

I -V

Revenue Capacity

These tables contain information that may assist the reader in assessing the City's most significant local revenue source, the property tax.

VI-X

Debt Capacity

These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

XI-XIV

Economic & Demographic Information

These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government's financial activities take place.

XV-XVI

Operating Information

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.

XVII-XIX

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial report for the relevant year. The City implemented GASB No. 34 in fiscal year 2002, therefore, tables presenting government-wide information includes only eight years.

CITY OF SIOUX CITY, IOWA
GOVERNMENT-WIDE NET ASSETS BY COMPONENT¹
LAST EIGHT FISCAL YEARS²
(ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR		
	2002	2003	2004
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 101,371,194	\$ 132,205,841	\$ 165,606,928
Restricted for:			
Capital Improvements	5,074,878	---	10,666,980
Debt Service	4,061,206	3,802,491	4,924,215
Endowment, non-expendable	621,662	660,395	724,772
Unrestricted	44,457,987	47,747,865	29,559,632
Total Governmental Activities Net Assets	155,586,927	184,416,592	211,482,527
Business-Type Activities			
Invested in Capital Assets, Net of Related Debt	55,758,246	60,353,358	56,065,900
Restricted for:			
Debt Service	---	---	---
Unrestricted	14,079,033	9,184,436	14,102,161
Total Business-Type Activities Net Assets	69,837,279	69,537,794	70,168,061
Primary Government			
Invested in Capital Assets, Net of Related Debt	157,129,440	192,559,199	221,672,828
Restricted for:			
Capital Improvements ³	5,074,878	---	10,666,980
Debt Service	4,061,206	3,802,491	4,924,215
Endowment, non-expendable	621,662	660,395	724,772
Unrestricted	58,537,020	56,932,301	43,661,793
Total Primary Government Net Assets	\$ 225,424,206	\$ 253,954,386	\$ 281,650,588

Notes:

¹ Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Iowa or the Federal Government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.

² The City implemented GASB Statement No. 34 in fiscal year 2002, therefore, eight years of government-wide financial data is presented.

³ In fiscal year 2003, the entire Capital Improvements fund balance was encumbered, primarily for the Events Center project.

TABLE I

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 163,066,644	\$ 178,531,068	\$ 202,244,071	\$ 201,725,694	\$ 215,118,921
18,095,819	15,772,571	15,827,272	17,324,318	4,854,761
2,411,720	1,438,126	1,438,831	3,203,515	4,889,636
782,515	838,105	927,910	971,321	980,767
<u>52,580,385</u>	<u>56,134,972</u>	<u>48,896,046</u>	<u>46,553,214</u>	<u>41,580,680</u>
<u>236,937,083</u>	<u>252,714,842</u>	<u>269,334,130</u>	<u>269,778,062</u>	<u>267,424,765</u>
57,908,190	59,757,382	70,041,912	81,233,654	89,062,832
---	---	496,000	486,158	---
<u>14,725,602</u>	<u>21,081,482</u>	<u>21,021,615</u>	<u>13,286,975</u>	<u>15,063,269</u>
<u>72,633,792</u>	<u>80,838,864</u>	<u>91,559,527</u>	<u>95,006,787</u>	<u>104,126,101</u>
220,974,834	238,288,450	272,285,983	282,959,348	304,181,753
18,095,819	15,772,571	15,827,272	17,324,318	4,854,761
2,411,720	1,438,126	1,934,831	3,689,673	4,889,636
782,515	838,105	927,910	971,321	980,767
<u>67,305,987</u>	<u>77,216,454</u>	<u>69,917,661</u>	<u>59,840,189</u>	<u>56,643,949</u>
<u>\$ 309,570,875</u>	<u>\$ 333,553,706</u>	<u>\$ 360,893,657</u>	<u>\$ 364,784,849</u>	<u>\$ 371,550,866</u>

TABLE II

**CITY OF SIOUX CITY, IOWA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS²
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses¹								
Governmental Activities:								
Public Safety	\$ -	\$ 24,129,343	\$ 24,901,874	\$ 27,628,436	\$ 27,117,017	\$ 28,854,253	\$ 30,260,933	\$ 31,565,111
Community Protection	21,048,855	---	---	---	---	---	---	---
Public Works	---	10,990,350	11,000,039	11,028,031	13,640,878	15,506,549	19,638,707	17,695,921
Culture and Recreation	---	11,183,008	12,183,769	13,550,054	14,727,651	16,080,955	17,340,040	18,427,540
Human Development	6,186,316	---	---	---	---	---	---	---
Community and Economic Development	---	11,017,771	10,680,718	8,402,228	10,965,458	10,787,387	25,630,391	10,847,635
Home and Community Development	---	---	---	---	---	---	---	---
General Government	39,315,091	15,803,180	650,274	5,257,329	5,791,061	10,471,182	13,073,878	12,097,851
Policy and Administration	25,273,412	---	---	---	---	---	---	---
Debt Service	---	---	---	---	---	---	---	---
Capital Projects ⁴	---	4,216,065	8,668,744	5,678,533	5,992,311	5,980,529	6,490,067	6,309,941
Interest Expense	---	5,623,373	5,334,401	2,874,859	8,948,563	1,203,328	---	---
Unallocated Depreciation Expense	6,382,993	6,305,406	6,718,649	4,289,478	---	---	---	---
Total Governmental Activities Expenses	98,206,658	89,138,496	80,138,458	78,708,976	87,182,939	88,884,163	112,434,016	96,943,799
Business-Type Activities:								
Airport	---	3,783,809	3,547,215	3,541,192	4,825,894	3,614,198	3,613,044	3,624,184
Water	---	10,446,242	11,693,816	9,451,225	7,465,007	7,594,727	8,578,234	9,046,887
Sewer	---	8,987,353	10,229,066	10,105,125	11,414,499	11,306,475	12,815,794	12,493,265
Solid Waste	---	3,158,508	3,642,376	4,876,127	3,990,655	4,108,577	4,721,183	4,242,223
Home and Community Development	22,167,410	---	---	---	---	---	---	---
Parking	---	1,269,823	1,272,388	1,152,837	1,220,276	1,475,538	1,425,352	1,871,573
Skyway System	---	230,545	343,430	300,431	254,683	322,577	303,892	318,624
Total Business-Type Activities Expenses	22,167,410	27,936,380	30,728,290	29,426,937	29,161,014	28,422,092	31,757,499	31,395,556
Total Primary Government Expenses	120,374,068	117,074,876	110,866,748	108,135,913	116,343,953	117,306,255	144,191,515	128,340,355
Program Revenues¹								
Governmental Activities:								
Charges for Services:								
Public Safety	---	1,797,850	306,263	288,873	280,292	283,845	351,518	1,034,208
Community Protection	1,606,056	---	---	---	---	---	---	---
Public Works	---	1,832,618	3,006,966	3,153,921	3,384,769	3,670,886	3,911,984	4,245,184
Culture and Recreation	---	938,765	1,123,982	4,502,333	4,547,640	4,855,063	5,251,614	5,295,784
Human Development	932,104	---	---	---	---	---	---	---
Community and Economic Development	---	1,968,650	738,406	856,813	871,956	891,801	1,030,980	212,204
Home and Community Development	7,896,550	---	---	---	---	---	---	---
General Government	---	16,484,226	4,578,523	6,606,159	3,445,465	2,695,053	9,436,829	5,356,830
Policy and Administration	18,779,982	---	---	---	---	---	---	---
Capital Projects	---	---	---	---	---	---	---	---
Operating Grants and Contributions	12,835,750	---	20,833,159	24,493	22,597	---	---	---
Capital Grants and Contributions	12,762,481	15,670,270	15,935,106	20,615,010	20,355,850	19,595,863	19,163,094	18,059,563
Special Assessments	731,180	338,882	---	5,545,934	9,081,256	6,656,241	4,714,416	6,050,466
Total Governmental Activities Program Revenues	55,544,103	60,198,716	46,521,785	41,593,536	41,969,825	38,648,752	43,860,435	40,254,219

FISCAL YEAR

	2002	2003	2004	2005	2006	2007	2008	2009
Business-Type Activities:								
Charges for Services:								
Airport	---	2,350,085	1,548,766	1,556,390	1,591,496	1,407,558	1,707,199	1,582,987
Water	---	7,380,118	7,742,305	8,458,776	9,842,528	10,590,423	10,308,555	10,990,717
Sewer	---	10,776,672	10,807,909	10,881,489	10,795,055	11,848,359	14,206,172	16,372,370
Solid Waste	---	3,538,028	4,262,988	4,357,118	4,397,189	4,911,254	4,754,467	4,631,072
Home and Community Development	23,664,198	---	---	---	---	---	---	---
Parking	---	1,226,075	1,176,276	1,087,911	1,069,120	1,004,738	1,158,055	1,219,013
Skyway System	---	290,645	343,430	300,431	254,683	322,577	303,892	318,624
Operating Grants and Contributions	831,046	1,490,865	503,502	3,725,102	2,813,675	3,940,017	1,082,111	2,220,283
Total Business-Type Activities Program Revenues	24,495,244	27,052,588	26,385,176	30,347,216	30,703,746	34,024,926	33,500,451	37,444,046
Total Primary Government Program Revenues	80,039,347	87,251,306	72,906,961	71,940,762	72,693,571	72,673,678	77,360,886	77,698,265
Net (Expense)/Revenue³								
Governmental Activities	(42,862,555)	(28,939,778)	(33,616,673)	(37,115,440)	(45,193,114)	(50,235,411)	(68,573,581)	(56,889,580)
Business-Type Activities	2,327,834	(883,792)	(4,343,114)	920,279	1,542,732	5,602,834	1,742,952	6,047,490
Total Primary Government Net Expense	(40,534,721)	(29,823,570)	(37,959,787)	(36,195,161)	(43,650,382)	(44,632,577)	(66,830,629)	(50,842,090)
General Revenues								
Governmental Activities:								
Property Taxes	35,778,991	39,851,751	41,059,605	44,032,023	44,670,160	45,743,901	47,592,848	50,788,744
Franchise Taxes	2,082,885	2,553,597	2,220,948	2,819,425	2,609,122	2,810,233	2,793,497	2,586,811
Hotel-Motel Taxes	815,659	693,391	781,039	819,001	890,533	873,749	951,260	1,061,104
Local Option Sales Taxes	7,941,416	8,707,139	8,854,807	9,039,490	9,116,344	10,876,278	10,521,527	10,992,806
Interest	1,385,238	1,093,276	768,608	1,631,250	3,691,733	3,959,731	3,296,165	1,457,766
Revenue from the Use of Property	3,445,175	2,984,164	3,564,962	---	---	---	---	---
Revenue from Sale of Uncapitalized Property	---	---	---	185,424	715,093	859,249	230,112	539,534
Miscellaneous	2,769,278	2,107,173	2,895,044	2,720,836	2,503,184	2,110,285	2,355,707	1,751,700
Net Gain on Sale of Capital Assets	139,869	---	---	460,091	44,155	180,068	2,035,150	87,064
Extraordinary Items	---	---	---	---	---	---	---	---
Transfers	(320,648)	(201,049)	157,595	383,333	(3,289,450)	(558,814)	(758,753)	(895,066)
Total Governmental Activities	54,041,863	57,769,443	60,302,608	62,091,773	60,970,874	66,854,698	69,017,513	64,336,283
Business-Type Activities:								
Interest	417,422	264,882	295,742	438,552	825,506	1,198,245	735,839	497,295
Revenue from the Sale of Uncapitalized Property	71,243	116,085	75,465	---	433,482	---	---	---
Miscellaneous	4,111	2,292	4,046,313	225,128	2,126,499	484,370	250,220	1,670,839
Net Gain on Sale of Capital Assets	---	---	---	1,265,105	7,403	3,128	65,356	8,624
Transfers	320,648	201,048	(157,695)	(383,333)	3,269,450	558,814	758,753	895,066
Total Business-Type Activities	813,424	584,307	4,269,825	1,545,452	6,662,340	2,244,557	1,810,168	3,071,824
Total Primary Government	54,855,287	58,353,750	64,562,433	63,637,225	67,633,214	69,099,255	70,827,681	57,408,107
Change in Net Assets								
Governmental Activities	11,379,308	28,829,665	26,685,935	24,976,333	15,777,760	16,619,287	443,932	(2,353,297)
Business-Type Activities	3,141,258	(299,485)	(83,189)	2,465,731	8,205,072	7,847,391	3,553,120	9,119,314
Total Primary Government	\$ 14,520,566	\$ 28,530,180	\$ 26,602,746	\$ 27,442,064	\$ 23,982,832	\$ 24,466,678	\$ 3,997,052	\$ 6,066,017

Notes:

¹ The State of Iowa program levels changed in Fiscal Year 2003.

² The City implemented GASB Statement No. 34 in fiscal year 2002, therefore, eight years of government-wide financial data is presented.

³ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues.

⁴ In fiscal year 2008, capital projects began to be allocated to their respective program functions.

TABLE III

**CITY OF SIOUX CITY, IOWA
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

FISCAL YEAR	GENERAL PROPERTY TAXES¹	LOCAL OPTION SALES TAXES	BANK FRANCHISE TAXES³	UTILITY FRANCHISE TAXES²	CABLE TV FRANCHISE TAX	HOTEL- MOTEL TAXES	TOTAL TAXES
2000	\$ 32,629,478	\$ 8,725,415	\$ 135,784	\$ 1,569,485	\$ 337,886	\$ 847,425	\$ 44,245,473
2001	34,321,188	8,701,410	131,732	2,174,699	348,365	761,523	46,438,917
2002	35,616,651	8,254,737	117,997	1,609,194	355,693	815,659	46,769,931
2003	39,842,558	8,484,774	109,028	2,101,499	343,070	693,391	51,574,320
2004	41,062,196	8,881,668	118,143	1,751,309	351,497	781,039	52,945,852
2005	44,015,693	9,181,382	83,659	2,390,727	345,038	819,901	56,836,400
2006	44,497,164	8,927,742	---	2,259,183	349,939	890,533	56,924,561
2007	45,743,901	10,876,276	---	2,432,504	377,729	873,749	60,304,159
2008	47,592,848	10,521,527	---	2,423,628	369,869	951,260	61,859,132
2009	\$ 50,788,744	\$ 10,992,806	---	\$ 2,140,738	\$ 446,073	\$ 1,061,104	65,429,465
Percentage Change In Dollars Over 10 Years	55.65%	25.99%	-100.00%	36.40%	32.02%	25.22%	47.88%

Notes:

¹ In fiscal year 2003, the City property tax levy increased from 14.40683 to 16.00121.

² In fiscal years 2001, 2003 and 2005, utility franchise taxes increased due to increases in City-wide utility sales by the City's utility provider, MidAmerican Energy.

³ Bank franchise taxes were implemented for ten years and were completed during fiscal year 2005.

TABLE IV

CITY OF SIOUX CITY, IOWA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved ¹	\$ 492,694	\$ 298,477	\$ 475,175	\$ 235,828	\$ 330,372	\$ 465,774	\$ 333,970	\$ 330,765	\$ 368,976	\$ 574,335
Unreserved	4,312,731	4,521,415	4,485,508	4,734,750	4,687,269	5,716,529	6,425,351	7,226,338	7,696,996	7,578,177
Total General Fund	4,805,425	4,819,892	4,960,683	4,970,578	5,017,641	6,182,303	6,759,321	7,557,103	8,065,972	8,152,512
All Other Governmental Funds										
Reserved	24,131,849	30,369,443	35,949,563	44,168,957	35,698,820	57,733,852	55,314,255	51,112,529	54,238,966	56,777,930
Unreserved, reported in:										
Special Revenue Funds	5,941,854	6,696,954	7,007,526	4,681,193	4,721,544	5,368,194	7,542,829	9,534,586	8,825,958	6,656,344
Total All Other Governmental Funds ²	30,073,703	37,066,397	42,957,089	48,850,150	40,420,364	63,102,036	62,857,084	60,647,115	63,064,924	63,434,274
Total Governmental Funds										
Reserved	24,624,543	30,667,920	36,424,738	44,404,785	36,029,192	58,199,626	55,648,225	51,443,294	54,607,942	57,352,265
Unreserved	10,254,585	11,218,369	11,493,034	9,415,943	9,408,813	11,084,713	13,968,180	16,760,924	16,522,954	14,234,521
Total Governmental Funds	\$ 34,879,128	\$ 41,886,289	\$ 47,917,772	\$ 53,820,728	\$ 45,438,005	\$ 69,284,339	\$ 69,616,405	\$ 68,204,218	\$ 71,130,896	\$ 71,586,786

Notes:

¹The fluctuations in the General Fund reserved fund balance are due to the encumbrances at year-end.

²The fluctuations in the fund balance result from construction projects in which funds are borrowed in one year and spent in another fiscal year.

TABLE V

CITY OF SIOUX CITY, IOWA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 44,448,618	\$ 46,257,444	\$ 46,560,104	\$ 51,706,623	\$ 52,998,921	\$ 56,614,493	\$ 57,223,300	\$ 60,501,050	\$ 61,867,015	\$ 65,343,777
Special Assessments	683,722	466,685	502,280	440,633	228,404	301,359	297,536	251,812	280,969	180,335
Regulatory Fees	999,535	1,032,075	1,061,288	1,250,875	1,237,582	1,328,107	1,174,657	1,253,658	1,347,989	1,318,657
Intergovernmental Revenue	22,386,325	21,152,816	32,475,237	36,642,152	36,359,020	25,599,234	26,989,896	26,156,355	23,773,756	23,609,689
Revenue from the Use of Property	3,494,669	3,536,082	3,623,669	3,041,082	3,462,104	4,462,980	4,431,425	4,254,653	4,173,576	4,319,645
Charges for Services	6,318,779	6,206,583	6,279,171	6,511,977	7,079,903	7,067,902	7,067,902	7,817,733	7,833,868	8,095,902
Interest	2,082,505	2,650,589	1,385,238	1,093,276	763,379	1,569,427	3,560,311	3,797,191	3,151,839	1,390,580
Contributions	357,171	211,887	503,475	195,575	267,001	260,806	2,410,834	277,534	257,645	220,392
Miscellaneous	1,987,970	1,535,484	2,573,765	1,991,930	2,601,848	2,366,864	2,178,484	1,978,346	1,918,522	1,622,361
Total Revenues	82,759,294	83,049,445	95,144,926	102,641,317	104,448,236	99,583,173	105,334,345	106,258,332	104,585,179	106,101,338
Expenditures¹										
Public Safety	---	---	---	24,262,437	24,921,335	27,162,912	27,135,419	27,927,945	28,364,591	30,633,912
Community Protection	20,824,905	21,293,946	23,623,295	11,004,008	10,918,769	10,932,711	11,985,865	13,199,362	13,791,226	13,857,068
Public Works	---	---	---	11,132,692	12,210,191	13,153,004	13,233,666	13,612,396	14,711,438	15,830,037
Culture and Recreation	---	---	10,589,986	---	---	---	---	---	---	---
Human Development	10,174,183	10,159,692	---	11,011,474	10,654,583	9,142,019	11,279,598	10,719,564	10,836,744	9,150,589
Community and Economic Development	---	---	---	---	---	---	---	---	---	---
Home and Community Development	15,596,842	17,097,358	18,148,505	---	---	---	---	---	---	---
General Government	---	---	---	3,073,574	3,071,353	3,395,797	2,891,590	2,821,790	3,234,848	2,756,647
Policy and Administration	5,769,526	5,649,458	6,503,907	---	---	---	---	---	---	---
Debt Service	---	---	---	---	---	---	---	---	---	---
Principal	10,880,625	10,634,588	6,239,281	10,682,841	11,536,556	13,783,047	16,829,547	17,531,767	15,880,284	16,477,867
Interest and Fiscal Charges	2,917,097	4,891,608	9,570,196	5,684,742	5,479,590	5,787,508	6,009,331	6,004,815	6,507,761	6,971,753
Capital Projects	15,140,517	17,417,408	31,375,569	46,244,027	45,529,590	9,193,970	28,442,887	23,636,330	34,288,621	25,298,862
Total Expenditures	81,298,695	87,144,058	106,056,739	123,095,795	124,321,967	92,550,968	117,807,903	115,455,959	127,615,513	120,976,735
Excess of Revenues over (under) Expenditures	1,460,599	(4,094,613)	(10,911,813)	(20,454,478)	(19,873,731)	7,032,205	(12,473,558)	(9,197,637)	(23,030,334)	(14,875,397)
Other Financing Sources (Uses)										
Proceeds from Issuance of Bonds and Notes	8,885,281	12,562,441	16,114,622	26,889,906	11,867,975	18,945,000	16,562,021	8,688,000	24,579,000	16,239,718
Proceeds from Refunding Bonds Issued	---	5,370,000	4,082,300	4,455,675	2,548,000	3,468,000	---	---	11,710,323	6,768,104
Payment to Refunded Bond Escrow Agent	---	(5,300,000)	(3,960,000)	(4,446,245)	(2,528,000)	(3,448,000)	---	---	(11,840,323)	(6,703,104)
Premiums on Bonds Issued	---	---	172,081	43,002	42,356	62,229	25,137	94,586	414,731	370,275
Discounts on Bonds Issued	---	(135,175)	---	(105,094)	(10,763)	(69,280)	(29,993)	---	---	(35,229)
Sale of Uncapitalized Property	---	---	---	---	---	---	---	---	---	263,314
Sale of Capitalized Property	---	---	---	---	---	---	---	---	---	6,062
Transfers In	22,661,397	25,137,390	30,969,460	31,433,852	27,915,915	35,383,804	37,227,859	39,003,460	45,028,357	38,607,508
Transfers Out	(22,661,397)	(25,137,390)	(31,003,332)	(31,913,682)	(28,724,475)	(37,672,513)	(40,979,400)	(40,000,596)	(46,215,409)	(40,185,961)
Total Other Financing Sources	8,885,281	12,497,286	16,355,131	26,357,434	11,111,008	16,669,240	12,805,624	7,785,450	25,957,012	15,331,287
Net Change in Fund Balances	\$ 10,345,880	\$ 8,402,653	\$ 5,443,318	\$ 5,902,956	\$ (8,762,723)	\$ 23,701,445	\$ 332,066	\$ (1,412,187)	\$ 2,926,678	\$ 455,890
Debt Service as a percentage of non-capital expenditures ²	n/a	n/a	16.99%	18.23%	18.55%	21.74%	23.44%	25.44%	20.60%	23.71%

Note:

¹ The State of Iowa program levels changed in 2003.² The non-capital expenditures for years 1999-2001 are not readily available.

TABLE VI

**CITY OF SIOUX CITY, IOWA
ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY¹
LAST TEN FISCAL YEARS**

FISCAL YEAR	REAL PROPERTY		UTILITIES		TOTAL		TOTAL DIRECT TAX RATE	TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE
	ASSESSED VALUE	TAXABLE VALUE ²	ASSESSED VALUE	TAXABLE VALUE	ASSESSED VALUE	TAXABLE VALUE		
2000	\$ 2,545,441,168	\$ 1,498,668,502	\$ 168,584,134	\$ 168,584,144	\$ 2,714,025,302	\$ 1,667,252,646	\$ 13.947	61%
2001	2,666,055,791	1,571,433,991	130,130,042	130,130,042	2,796,185,833	1,701,564,033	14.407	61%
2002	2,757,749,024	1,660,580,572	130,515,881	130,515,881	2,888,264,905	1,791,096,453	14.407	62%
2003	2,944,880,846	1,665,576,989	129,163,982	129,163,982	3,074,044,828	1,794,740,971	16.001	58%
2004	2,978,740,856	1,739,587,340	131,714,015	131,714,015	3,110,454,871	1,871,301,355	16.433	60%
2005	3,032,174,354	1,734,566,855	131,744,261	131,744,261	3,163,918,615	1,866,311,116	17.787	59%
2006	3,099,265,840	1,786,220,561	124,848,499	124,848,499	3,224,114,339	1,911,069,060	17.971	59%
2007	3,280,496,069	1,831,228,796	123,180,706	123,180,706	3,403,676,775	1,954,409,502	18.255	57%
2008	3,330,737,211	1,855,056,995	119,580,684	119,580,684	3,450,317,895	1,974,637,679	18.473	57%
2009	\$ 3,465,673,736	\$ 1,880,122,184	\$ 123,186,151	\$ 123,186,151	\$ 3,588,859,887	\$ 2,003,308,335	\$ 18.712	56%

Source: Woodbury County, Iowa; County Auditor

Notes:

¹ Taxable Value does not include the Tax Increment Levy.

² Taxable value = (percent rollback x assessed value) - exemptions (military, homestead, elderly, etc.)

CITY OF SIOUX CITY, IOWA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS
TAX RATES

FISCAL YEAR	CITY OF SIOUX CITY				OVERLAPPING RATES								TOTAL DIRECT AND OVERLAPPING
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	TOTAL DIRECT	SCHOOL DISTRICT	WESTERN			CITY ASSESSOR	AG EXTENSION	SPECIAL STATE	TOTAL OVERLAPPING	
						COUNTY	IOWA TECH	IOWA					
2000	\$ 8,520	\$ 5,007	\$ 0,420	\$ 13,947	\$ 13,648	\$ 6,270	\$ 0,560	\$ 0,526	\$ 0,058	\$ 0,005	\$ 21,067	\$ 35,014	
2001	8,520	5,267	0,620	14,407	14,696	6,317	0,610	0,539	0,057	0,005	22,224	36,631	
2002	8,610	4,617	1,180	14,407	14,435	6,868	0,621	0,450	0,054	0,005	22,433	36,840	
2003	8,600	5,581	1,820	16,001	15,770	6,820	0,944	0,620	0,054	0,004	24,212	40,213	
2004	8,600	6,573	1,260	16,433	16,151	7,109	0,541	0,582	0,053	0,004	24,440	40,873	
2005	8,430	8,187	1,170	17,787	17,016	7,660	0,572	0,431	0,054	0,004	25,737	43,524	
2006	8,490	8,831	0,650	17,971	17,500	7,691	0,699	0,426	0,054	0,004	26,374	44,345	
2007	8,430	8,295	1,530	18,255	16,768	7,778	0,703	0,487	0,051	0,004	25,791	44,046	
2008	8,490	8,693	1,290	18,473	17,519	8,004	0,736	0,485	0,125	0,004	26,873	45,346	
2009	\$ 8,721	\$ 8,534	\$ 1,457	\$ 18,712	\$ 17,762	\$ 7,952	\$ 0,828	\$ 0,485	\$ 0,131	\$ 0,004	\$ 27,162	\$ 45,874	

Source: Woodbury County, Iowa; County Auditor

TABLE VIII

CITY OF SIOUX CITY, IOWA
PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS
JUNE 30, 2009

TAXPAYER	2009			2000		
	ASSESSED ² VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED ³ VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 73,093,200	1	2.04%	\$ 55,959,100	2	2.06%
WAL-MART	38,685,600	2	1.08%	---	---	0.00%
LAKEPORT COMMONS	37,077,100	3	1.03%	---	---	0.00%
LARRY BOOK ET AL	28,382,500	4	0.79%	---	---	0.00%
DAVENPORT ET AL	24,138,500	5	0.67%	27,936,600	4	1.03%
CLOVERLEAF COLD STORAGE	23,455,300	6	0.65%	20,194,400	5	0.74%
WA KLINGER	22,140,900	7	0.62%	29,109,200	3	1.07%
DAVIES IOWA LOGISTICS PORTFOLIO I LLC	18,119,300	8	0.50%	---	---	0.00%
ST. LUKE'S MEDICAL	17,122,400	9	0.48%	17,067,200	6	0.63%
HANDY LC	15,568,300	10	0.43%	12,105,050	10	0.45%
HOLTZ CONSTRUCTION	---	---	0.00%	16,817,400	7	0.62%
MIDAMERICAN ENERGY ¹	---	---	0.00%	141,752,264	1	5.22%
QWEST	---	---	0.00%	14,178,800	9	0.52%
CARGILL	---	---	0.00%	14,189,056	8	0.52%
TOTAL PRINCIPAL TAXPAYERS	\$ 297,783,100		8.29%	\$ 349,309,070		12.86%
ALL OTHER TAXPAYERS	3,291,076,787		91.71%	2,364,716,232		87.14%
TOTAL ASSESSED VALUATION	\$ 3,588,859,887		100.00%	\$ 2,714,025,302		100.00%

Source: City Assessor, Sioux City, Iowa

Note:

¹ The change in rank of MidAmerican Energy over ten years reflects the change in valuation of utilities.

² Assessed values as of January 1, 2007.

³ Assessed values as of January 1, 1998.

TABLE IX

**CITY OF SIOUX CITY, IOWA
PROPERTY TAX LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS**

FISCAL YEAR	TOTAL² TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS³	TOTAL TAX COLLEC- TIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUT- STANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2000	\$ 23,375,102	\$ 22,732,052	97.25%	N/A	\$ 22,732,052	97.25%	\$ 643,050	2.75%
2001	24,695,282	24,574,878	99.51%	N/A	24,574,878	99.51%	120,404	0.49%
2002	26,152,122	25,610,836	97.93%	N/A	25,610,836	97.93%	541,286	2.07%
2003	29,270,945	28,709,279	98.08%	N/A	28,709,279	98.08%	561,666	1.92%
2004	31,031,623	30,344,967	97.79%	N/A	30,344,967	97.79%	686,656	2.21%
2005	33,456,833	32,553,542	97.30%	N/A	32,553,542	97.30%	903,291	2.70%
2006	34,507,900	33,669,147	97.57%	N/A	33,669,147	97.57%	838,753	2.43%
2007	36,050,819	35,160,981	97.53%	N/A	35,160,981	97.53%	889,838	2.47%
2008	36,810,674	35,823,650	97.32%	N/A	35,823,650	97.32%	987,024	2.68%
2009	\$ 38,061,596	\$ 36,876,511	96.89%	N/A	36,876,511	96.89%	1,185,085	3.11%

Source: Woodbury County Treasurer, Woodbury County, Iowa

Notes:

¹ GAAP Basis.

² Tax Increment Levy and SID tax Levy not included.

³ The Woodbury County Treasurer's Office does not record for which year delinquent payments are made.

**CITY OF SIOUX CITY, IOWA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

TABLE X

FISCAL YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	PERCENT OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING CURRENT & DELINQUENT ASSESSMENTS¹
2000	\$ 175,194	\$ 679,774	388%	\$ 2,021,362
2001	202,136	473,744	234%	1,680,378
2002	168,038	505,822	301%	1,934,712
2003	193,471	442,040	228%	1,821,654
2004	182,165	283,281	156%	1,152,335
2005	115,234	307,002	266%	1,245,630
2006	124,563	298,352	240%	1,164,862
2007	116,486	252,541	217%	961,485
2008	96,149	261,656	272%	834,462
2009	\$ 83,446	\$ 63,821	76%	\$ 1,171,997

Source: Woodbury County Treasurer, Woodbury County, Iowa

Note:

¹ GAAP basis.

TABLE XI

CITY OF SIOUX CITY, IOWA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES				TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME ¹	PER CAPITA ¹
	NOTES PAYABLE	OBLIGATION BONDS	CAPITAL LEASES	NOTES PAYABLE	OBLIGATION BONDS	REVENUE BONDS				
2000	\$ 591,462	\$ 62,139,652	\$ 4,040,302	\$ 2,439,109	\$ 10,220,348	\$ 5,725,000	\$	85,155,873	5.37%	1,002
2001	546,521	64,821,209	3,540,000	2,277,223	10,943,791	4,960,000		87,088,744	5.49%	1,024
2002	751,146	71,408,850	3,030,000	2,110,000	10,556,150	4,420,000		92,276,146	5.82%	1,085
2003	859,792	88,040,439	2,480,000	11,870,924	9,044,561	3,840,000		116,135,716	7.32%	1,366
2004	644,709	89,042,621	1,915,000	26,463,062	8,092,379	3,240,000		129,397,771	8.15%	1,522
2005	173,333	94,904,574	1,310,000	28,276,762	7,530,426	2,595,000		134,790,115	8.37%	1,586
2006	90,771	95,359,610	670,000	31,531,535	8,530,390	1,915,000		138,097,306	8.57%	1,624
2007	25,000	87,260,843	---	41,349,668	6,839,157	1,195,000		136,669,668	7.70%	1,608
2008	20,417	95,834,142	---	61,901,747	5,950,858	465,000		164,172,164	9.25%	1,931
2009	\$ 15,000	\$ 95,104,514	\$ ---	\$ 75,722,515	\$ 4,840,486	\$ ---	\$	175,682,515	10.38%	2,067

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics, Table XV for personal income and population data.

TABLE XII

**CITY OF SIOUX CITY, IOWA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE¹ OF PROPERTY	PER CAPITA²
2000	\$ 72,360,000	\$ 3,081,924	\$ 69,278,076	4.16%	\$ 815
2001	75,765,000	2,454,780	73,310,220	4.31%	862
2002	81,965,000	4,061,206	77,903,794	4.35%	916
2003	97,085,000	3,802,491	93,282,509	5.20%	1,097
2004	97,135,000	4,924,215	92,210,785	4.93%	1,085
2005	102,435,000	2,411,720	100,023,280	5.36%	1,177
2006	103,890,000	1,438,126	102,451,874	5.36%	1,205
2007	94,100,000	1,438,831	92,661,169	4.74%	1,090
2008	101,785,000	3,203,515	98,581,485	4.99%	1,160
2009	\$ 99,945,000	\$ 3,916,810	\$ 96,028,190	4.79%	\$ 1,130

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Table of Assessed Values and Taxable Value of Taxable Property, Table VI for property value data.

² Population data can be found in the Table of Demographic and Economic Statistics, Table XV.

TABLE XIII

CITY OF SIOUX CITY, IOWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT⁶
JUNE 30, 2009

<u>NAME OF GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE⁷ TO THIS GOVERNMENTAL UNIT</u>	<u>AMOUNT APPLICABLE TO CITY OF SIOUX CITY</u>
Direct:			
City of Sioux City	\$ 95,119,514	100.00%	\$ 95,119,514
Overlapping:			
Woodbury County ¹	1,860,000	68.40%	1,272,240
Sioux City Community School District ²	3,579,789	100.00%	3,579,789
Western Iowa Tech Community College ³	18,920,000	37.70%	7,132,840
Lawton-Bronson School District ⁴	7,040,000	4.52%	318,208
Sergeant Bluff-Luton Comm School District ⁵	<u>5,690,000</u>	24.81%	<u>1,411,689</u>
Total Overlapping	37,089,789		13,714,766
 TOTAL	 <u>\$ 132,209,303</u>		 <u>\$ 108,834,280</u>

Sources:

¹ County Auditor and Recorder, Woodbury County, Iowa² Sioux City Community School District³ Western Iowa Tech Community College⁴ Lawton-Bronson School District⁵ Sergeant Bluff-Luton Community School District

Notes:

⁶ Excluding General Obligation bonds reported in the Enterprise Funds.⁷ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

TABLE XIV

**CITY OF SIOUX CITY, IOWA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 135,701,265	\$ 139,571,212	\$ 144,182,450	\$ 153,702,241	\$ 155,522,744	\$ 158,195,931	\$ 161,205,717	\$ 170,183,839	\$ 172,515,895	\$ 179,442,994
Total net debt applicable to limit	72,308,647	76,133,964	80,784,940	94,142,301	92,855,494	100,196,613	102,542,645	92,686,169	98,601,902	96,043,190
Legal Debt Margin	\$ 63,392,618	\$ 63,437,248	\$ 63,417,510	\$ 59,559,940	\$ 62,667,250	\$ 57,999,318	\$ 58,663,072	\$ 77,497,670	\$ 73,913,993	\$ 83,399,804
Total net debt applicable to limit as a percentage of debt limit	53.29%	54.55%	56.02%	61.25%	59.71%	63.34%	63.61%	54.46%	57.16%	53.52%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2009

ASSESSED VALUE

Real and Personal Property Within the City

TOTAL ESTIMATED VALUATION

DEBT LIMIT - 5% OF ESTIMATED VALUATION

AMOUNT OF DEBT APPLICABLE TO LIMIT

Total Bonded Debt and Long-Term Notes Payable

Less:

Notes Payable

Sewer Revolving Notes Payable

Water Revolving Notes Payable

Amount Available for Repayment of General Obligation Debt

DEBT APPLICABLE TO DEBT LIMIT

LEGAL DEBT MARGIN

\$ 3,588,859,887

3,588,859,887

179,442,994

175,682,515

49,790,877

25,931,638

75,722,515

3,916,810

96,043,190

\$ 83,399,804

Notes:

Under Title IX, Subtitle 2, Chapter 358C, paragraph 16 of the Iowa State Code, the City's debt limit should not exceed 5% of the estimated value of the taxable property within that district.

TABLE XV

**CITY OF SIOUX CITY, IOWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

CALENDAR YEAR	POPULATION ¹	TOTAL PERSONAL INCOME ²	PER CAPITA PERSONAL INCOME ²	EDUCATIONAL ATTAINMENT		MEDIAN AGE ¹	SCHOOL ENROLLMENT ⁴	UNEMPLOYMENT RATE ⁵
				BACHELOR'S DEGREE OR HIGHER ¹				
2000	85,013	\$ 1,586,852,658	\$ 18,666	19%		33.4	17,044	2.70%
2001	85,013	1,586,852,658	18,666	19%		33.4	16,984	3.20%
2002	85,013	1,586,852,658	18,666	19%		33.4	16,721	3.90%
2003	85,013	1,586,852,658	18,666	19%		33.4	16,505	5.00%
2004	85,013	1,586,852,658	18,666	19%		33.4	16,465	5.40%
2005	85,013	1,610,486,272	18,944	19%		33.4	16,227	4.50%
2006	85,013	1,610,486,272	18,944	20%		37.5	16,024	3.80%
2007	85,013	1,774,136,297	20,869	23%		36.2	15,736	3.70%
2008	85,013	1,774,136,297	20,869	23%		36.2	15,596	3.60%
2009	85,013	\$ 1,691,928,726	\$ 19,902	21%		35.4	15,497	5.60%

Sources:

¹ U.S. Census Bureau.² City of Sioux City Comprehensive Plan Publication "My Home, Our Neighborhood, Everybody's Hometown" for years 1998-2004; Iowa Workforce Development Website years 2005-2006; US Census Bureau American Community Survey for 2007.³ Computation of per capita personal income multiplied by population.⁴ Sioux City Community School District, Bishop Heelan Catholic Schools and Sloustand Community Christian School.⁵ Iowa Workforce Development Website.

TABLE XVI

**CITY OF SIOUX CITY
PRINCIPAL EMPLOYERS
CURRENT YEAR¹**

EMPLOYER	2009		PERCENTAGE OF TOTAL CITY EMPLOYMENT
	# OF EMPLOYEES	RANK	
Tyson Fresh Meats	4,768	1	11.19%
Sioux City Schools	2,057	2	4.83%
Mercy Medical Center	2,000	3	4.69%
John Morrell	1,350	4	3.17%
St. Luke's Medical Center	1,250	5	2.93%
City of Sioux City	1,024	6	2.40%
185th Iowa Air National Guard	950	7	2.23%
Curly's Foods	701	8	1.65%
MidAmerican Energy Company	659	9	1.55%
Western Iowa Tech Community College	650	10	1.53%
Total Principal Employers	15,409		36.17%
Other Employers	27,191		63.83%
Total Employers	42,600		100.00%

Source: Sioux City Economic Development Department

Notes:

¹ Comparative data for nine years ago not currently available.

CITY OF SIOUX CITY, IOWA
FULL-TIME EQUIVALENT CITY GOVERNMENT BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Fire	119.00	119.00	118.63	118.63	115.63	115.63	117.00	117.00	116.00	116.00
Police	157.65	157.65	159.65	160.65	158.65	159.65	153.65	152.65	153.65	151.65
Public Works										
Engineering	28.14	28.14	25.00	23.40	24.40	24.40	20.00	20.00	20.00	20.00
Field Services ¹	148.56	151.02	131.59	128.49	128.49	126.91	137.81	139.81	137.11	139.95
Transit ²	36.25	36.25	36.25	36.25	30.52	53.02	52.02	51.02	53.02	56.02
Culture and Recreation										
Art Center	10.14	9.99	9.99	9.99	9.99	9.99	9.99	9.99	9.49	10.49
Convention Center/Auditorium/Tourism	52.26	52.26	60.46	60.46	60.46	58.71	58.71	58.59	58.59	54.82
Library	39.27	39.27	38.15	38.02	36.27	36.27	36.27	36.27	36.47	36.47
Museum	9.94	9.81	9.66	9.66	9.28	9.61	9.61	9.52	9.72	9.37
Community and Economic Development ³										
Community Development	49.86	49.86	43.51	42.51	43.02	42.52	42.38	41.38	45.88	45.88
Economic Development	-	-	-	5.00	8.00	8.00	8.00	8.00	4.75	4.75
General Government										
Administrative Services ¹	41.15	39.40	45.75	42.55	41.05	40.05	39.55	49.00	49.55	49.00
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager ²	12.30	12.80	19.30	10.30	8.18	7.88	3.88	3.75	3.75	3.75
Finance ³	38.00	37.63	37.63	36.13	36.08	11.58	11.58	-	3.75	3.75
Human Resources ⁵	-	-	-	-	-	-	4.00	4.63	4.63	4.63
Human Rights	2.00	2.00	2.00	3.00	2.00	2.00	2.00	2.60	2.80	2.80
Legal	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00
Employees under 28E Agreement										
Communications Center	26.40	26.40	25.40	25.40	24.40	24.40	24.40	24.40	24.40	24.40
Information Center	12.00	13.00	13.00	15.00	15.00	14.00	14.00	14.00	14.00	14.00
Airport	20.00	20.00	20.00	20.00	20.00	18.33	17.83	16.95	16.95	17.53
Water ¹	37.38	37.38	36.00	36.75	36.00	36.00	34.00	30.80	33.50	32.50
Sewer	17.00	17.00	16.00	15.00	15.00	15.00	15.00	13.00	13.00	13.00
Solid Waste ⁴	30.75	30.75	30.75	29.75	29.75	29.75	2.00	1.50	-	-
	900.05	901.61	890.72	878.94	864.17	854.70	825.88	816.86	819.26	818.01

Source: City of Sioux City Finance Department

Notes:

- ¹ The Parking Department was transferred from the Public Works (Field Services) function to the General Government (Administrative Services) function in 2002 (6 FTE's). The Public Works (Field Services) function also had reductions in various areas in 2002. The Finance Department and Administrative Services Departments were combined in 2007.
- ² The Economic Development Department was part of the Community Development Department prior to 2002. In 2002, the Economic Development Department was moved to the General Government (City Manager) function. In 2003, the Economic Development Department moved out of the General Government (City Manager) function and into the Community and Economic Development function as its own department. The Marketing Department in the General Government (City Manager) function was eliminated in 2004.
- ³ The Central Maintenance Garage was moved from the General Government (Finance) function to the Public Works (Transit) function in 2005. The Finance Department was combined with the Administrative Services Department in 2007.
- ⁴ In 2006, the Solid Waste function was contracted out.
- ⁵ The Human Resources Department was moved out of the City Manager Department into its own department within the General Government function in 2006.
- ⁶ The Real Estate Division of Economic Development was moved to Community Development in 2008.

TABLE XVIII

**CITY OF SIOUX CITY, IOWA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS¹**

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Average physical arrests per day - adult	n/a	n/a	14.0	16.4	17.8	16.5	14.9	15.7	14.6	15.2
Average physical arrests per day - juvenile	n/a	n/a	4.8	4.2	4.8	4.4	4.5	5.0	4.0	4.5
Traffic citations issued	n/a	n/a	9,719	13,258	16,110	17,634	13,117	13,190	9,705	14,892
Fire										
Number of suppression calls	1,456	1,557	1,697	1,512	1,487	1,427	1,704	1,550	1,576	1,679
Number of emergency medical calls	3,733	3,859	4,228	4,234	4,206	4,158	3,931	4,399	4,524	4,758
% of responses where EMS on scene in 4 min	67%	67%	61%	59%	61%	61%	50%	62%	86%	87%
Number of hazardous materials incidents in city	5	4	2	5	1	11	6	3	9	3
Public Works										
Streets cleaned per year (miles)	20,425	14,944	15,650	17,762	20,015	21,505	19,620	15,281	13,301	11,846
Asphalt placed (tons)	841	1,295	1,086	1,384	1,137	1,167	889	991	1,854	1,849
Potholes repaired	n/a	21,604	17,231	17,742	18,932	24,537	19,833	22,447	28,404	27,533
Dirt miles bladed and shaped	8,233	5,870	7,308	6,464	5,824	5,209	5,607	4,837	8,039	17,568
Total Transit System miles	n/a	900,417	1,136,532	821,037	688,761	674,405	681,902	666,987	677,453	743,317
Total Transit System passengers ⁴	n/a	n/a	1,220,945	1,191,507	1,007,149	1,042,757	860,519	970,808	1,224,567	1,203,818
Total Transit System passengers per mile	n/a	n/a	1.08	1.45	1.46	1.55	1.26	1.46	1.81	1.62
Culture and Recreation										
Swimming pool attendance ²	105,000	103,000	95,000	90,000	60,000	84,324	85,396	77,684	70,248	64,460
Museum visitation ³	48,102	44,177	48,515	59,550	63,625	64,674	50,893	50,741	47,412	50,008
Community and Economic Development										
Total residential/commercial permits issued	1,048	1,241	1,366	1,303	1,319	2,794	3,201	3,115	3,055	2,895
Property value for commercial permits issued	\$50,850,319	\$65,425,254	\$93,098,281	\$127,515,206	\$92,254,675	\$122,652,094	\$108,305,627	\$126,792,169	\$151,235,117	\$146,361,953
Property value for residential permits issued	\$6,773,144	\$6,553,949	\$14,093,553	\$11,076,078	\$19,917,765	\$20,572,504	\$24,491,184	\$26,641,760	\$27,305,791	\$24,551,180
Number of inspections made	n/a	n/a	16,144	23,424	19,364	22,594	25,026	23,324	25,012	26,153
Water										
Water production (millions of gallons)	4,898	4,839	4,821	4,858	4,784	5,457	5,081	4,844	5,024	4,775
Water main breaks per miles of pipe	0.20	0.24	0.20	0.26	0.25	0.31	0.21	0.29	0.25	0.21
Total main breaks	82	99	81	105	103	124	86	122	113	102
Length of service disruption per break (hours)	7.46	8.9	6.19	6.00	5.96	10.18	6.13	9.53	6.33	6.93
Sewer										
Sewer backups	56	54	51	51	57	97	93	95	90	78
Total hours per sewer backup	5.78	4.35	5.10	2.96	6.45	6.69	5.27	6.13	8.20	9.10
Solid Waste										
Refuse collected (tons/day) ⁵	119.37	118.61	126.66	128.00	129.24	127.08	121.85	n/a	n/a	n/a
Recyclables collected (tons/day) ⁵	8.10	7.30	6.91	6.85	6.53	8.42	8.78	n/a	n/a	n/a

Source: Various City of Sioux City departments.

Notes:

¹ Indicators are not available in all areas for all ten years.² Swimming pool attendance was low in fiscal year 2004 due to unseasonably cool weather.³ Museum attendance increased in fiscal year 2003 due to the Lewis and Clark Expedition visitors.⁴ Total Transit passengers decreased in 2006 since the number is the actual number of passengers and no longer based on a formula.⁵ Solid Waste refuse and recyclables collected is no longer available as the work is contracted out to a third party.

CITY OF SIOUX CITY, IOWA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS¹

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Cars	n/a	n/a	n/a	n/a	n/a	49	52	46	51	57
Training Centers	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	7	7	7	7	7	7	7	7	7	7
Engines	n/a	n/a	n/a	n/a	n/a	15	14	14	14	14
Public Works										
Transit Buses	n/a	n/a	n/a	n/a	n/a	44	42	38	41	42
Streets (miles)	569	510	510	510	510	510	510	510	489	489
Streetslights (City Owned)	1,164	1,170	1,283	1,283	1,339	1,384	1,379	1,457	1,461	1,476
Sidewalks (miles)	466	469	470	496	497	497	497	497	497	600
Culture and Recreation										
Parks Acres	1,425	1,425	1,425	1,425	1,425	1,425	1,403	1,600	1,700	1,700
Parks	57	57	57	57	57	57	57	57	58	58
Swimming Pools	5	5	5	5	5	5	5	5	5	5
Tennis Courts	24	24	24	22	22	22	22	22	22	22
Softball Diamonds	23	23	23	18	13	13	13	13	13	13
Baseball Diamonds	35	35	35	40	34	34	34	34	34	34
Soccer Fields	14	14	9	9	10	10	10	10	10	10
Golf Courses (18 hole)	2	2	2	2	2	2	2	2	2	2
Play Fields	29	29	29	29	29	29	29	29	29	29
Cemetery										
Cemeteries (acres)	226	226	226	225	225	225	225	225	225	225
Cemeteries Maintained (acres)	226	226	226	180	180	180	185	185	185	185
Water										
Fire Hydrants (City maintained)	n/a	n/a	n/a	n/a	n/a	3,476	3,543	3,535	3,524	3,524
Water Mains (miles)	n/a	n/a	n/a	n/a	n/a	405	415	450	450	483
Sewer										
Sanitary Sewer (miles)	320	320	320	320	320	320	320	360	360	372
Storm Sewer (miles) ²	200	200	200	200	200	200	200	200	200	200
Solid Waste										
Solid Waste Collection Trucks	11	11	11	11	11	11	11	14	12	12
Recycling Trucks	5	5	5	5	5	5	5	5	0	0

Notes:

¹ Indicators are not available in all areas for all ten years.

CITY OF SIOUX CITY, IOWA
ADDITIONAL INFORMATION

EXHIBIT E-1

**CITY OF SIOUX CITY HOUSING AUTHORITY
BALANCE SHEET
JUNE 30, 2009**

Performance Center Project	625-007
Project No.	IA018V0

Contract No.	<u>KC9030V</u>
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ASSETS

Cash	\$ 546,898
Accounts Receivable (net of allowance for doubtful accounts)	30,919
Hud Receivable	2,456
Prepaid Housing Assistance	<u>351,528</u>
Total Assets	<u>931,801</u>

LIABILITIES & DEFERRED CREDITS

Accounts Payable	5,643
Security Deposits	73,451
Accrued Liabilities-Current	37,259
Accrued Liabilities-Noncurrent	<u>41,076</u>
Total Liabilities	157,429

EQUITY:

Rerestricted Net Assets	780,155
Unrestricted Net Assets	<u>(5,783)</u>
Total Equity/Net Assets	774,372

Total Liabilities and Equity/Net Assets	<u>\$ 931,801</u>
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EXHIBIT E-2

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY
ANALYSIS OF GENERAL FUND CASH
JUNE 30, 2009**

Performance Center Project	625-007
Project No.	IA018V0
Contract No.	<u>KC9030V</u>

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Assets	<u>\$774,372</u>
Total	<u>774,372</u>

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	5,643
Accrued Wages	78,335
Security Deposits	73,451
Prepaid Rent	(351,528)

Income Not Received:

HUD Receivable	(2,456)
Accounts Receivable (net of allowance for doubtful accounts)	<u>(30,919)</u>

General Fund Cash Available	<u><u>\$546,898</u></u>
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**CITY OF SIOUX CITY, IOWA
SCHEDULE OF SALARY, ALLOWANCES, AND REIMBURSED EXPENSES
FOR TEN HIGHEST PAID EMPLOYEES
FOR THE YEAR ENDED JUNE 30, 2009**

NAME	SALARY	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Paul A. Eckert, City Manager	\$140,219	\$6,110	Travel/auto allowance
Robert K. Padmore, Assistant City Manager	\$120,435	\$ 588	Travel/cell phone allowance
Joseph C. Frisbie, Police Chief	\$115,234	\$58,154	Travel/clothing/ severance
Christopher R. Payer, City Engineer	\$110,522	\$ 213	Travel reimbursement
Andrew W. Mai, City Attorney	\$110,250	\$ 552	Travel reimbursement
John J. Malloy, Information Services Director	\$107,757	\$ 161	Travel reimbursement
Curtis R. Miller, Airport/Transit/Fleet Director	\$106,326	\$4,424	Travel/auto/cell phone allowance
Patrick K. Flynn, Assistant Fire Chief	\$ 95,643	\$ 425	Clothing allowance
James R. Clark Jr., Assistant Fire Chief	\$ 95,415	\$1,224	Travel/cell phone/ clothing allowance
Peter L. Groetken, Police Captain	\$ 94,939	\$1,510	Travel/clothing allowance

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2009**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/02				
Amount Issued: \$7,025,000				
City Project # 911-138				
Matures:	2010	3.75%	585,000	
	2011	4.00%	585,000	
	2012	4.00%	585,000	
	2013	4.00%	585,000	
	2014	4.25%	585,000	
	2015	4.25%	<u>585,000</u>	
				\$3,510,000
Type: Corporate Purpose				
Issued: 12/1/02				
Amount Issued: \$4,325,000				
City Project # 911-141				
Matures:	2010	3.40%	360,000	
	2011	3.50%	360,000	
	2012	3.60%	360,000	
	2013	3.75%	360,000	
	2014	4.00%	360,000	
	2015	4.10%	<u>360,000</u>	
				\$2,160,000
Type: Corporate Purpose				
Issued: 12/1/03				
Amount Issued: \$6,315,000				
City Project # 911-142				
Matures:	2010	3.25%	630,000	
	2011	3.50%	630,000	
	2012	3.50%	630,000	
	2013	3.50%	630,000	
	2014	3.62%	<u>630,000</u>	
				\$3,150,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2009**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/03				
Amount Issued: \$6,085,000				
City Project # 911-143				
Matures:	2010	3.00%	600,000	
	2011	3.00%	600,000	
	2012	3.25%	600,000	
	2013	3.40%	600,000	
	2014	3.50%	<u>600,000</u>	
				\$3,000,000
Type: Corporate Purpose				
Issued: 12/1/04				
Amount Issued: \$5,140,000				
City Project # 911-144				
Matures:	2010	3.38%	515,000	
	2011	3.50%	515,000	
	2012	3.75%	515,000	
	2013	4.00%	515,000	
	2014	4.00%	510,000	
	2015	4.00%	<u>510,000</u>	
				\$3,080,000
Type: Corporate Purpose				
Issued: 12/1/04				
Amount Issued: \$14,755,000				
City Project # 911-146				
Matures:	2010	3.13%	1,475,000	
	2011	3.13%	1,475,000	
	2012	3.25%	1,475,000	
	2013	3.38%	1,475,000	
	2014	3.55%	1,475,000	
	2015	3.63%	<u>1,475,000</u>	
				\$8,850,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2009**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$4,330,000				
City Project #911-147				
Matures:	2010	4.00%	435,000	
	2011	4.00%	435,000	
	2012	4.00%	435,000	
	2013	4.00%	430,000	
	2014	4.13%	430,000	
	2015	4.13%	430,000	
	2016	4.13%	<u>430,000</u>	
				\$3,025,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$12,990,000				
City Project # 911-149				
Matures:	2010	3.50%	1,300,000	
	2011	3.50%	1,300,000	
	2012	4.00%	1,300,000	
	2013	4.00%	1,300,000	
	2014	4.00%	1,300,000	
	2015	4.00%	1,295,000	
	2016	4.00%	<u>1,295,000</u>	
				\$9,090,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$1,830,000				
City Project # 911-150				
Matures:	2010	4.00%	185,000	
	2011	4.00%	185,000	
	2012	4.00%	185,000	
	2013	4.00%	180,000	
	2014	4.13%	180,000	
	2015	4.13%	180,000	
	2016	4.13%	<u>180,000</u>	
				\$1,275,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2009**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 12/1/06			
Amount Issued: \$8,755,000			
City Project # 911-151			
Matures:			
2010	4.00%	875,000	
2011	4.00%	875,000	
2012	4.00%	875,000	
2013	4.00%	875,000	
2014	4.00%	875,000	
2015	4.00%	875,000	
2016	4.00%	875,000	
2017	4.00%	875,000	
		875,000	
			\$7,000,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$9,385,000			
City Project # 911-152			
Matures:			
2010	4.00%	940,000	
2011	4.00%	940,000	
2012	4.00%	940,000	
2013	4.00%	940,000	
2014	4.00%	940,000	
2015	4.00%	940,000	
2016	4.00%	935,000	
2017	4.00%	935,000	
2018	4.00%	935,000	
		935,000	
			\$8,445,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2009**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/07				
Amount Issued: \$4,525,000				
City Project # 911-153				
Matures:	2010	4.00%	455,000	
	2011	4.00%	455,000	
	2012	4.00%	455,000	
	2013	4.00%	455,000	
	2014	4.00%	450,000	
	2015	4.00%	450,000	
	2016	4.00%	450,000	
	2017	4.00%	450,000	
	2018	4.00%	<u>450,000</u>	
				\$4,070,000
Type: Corporate Purpose				
Issued: 12/1/07				
Amount Issued: \$10,990,000				
City Project # 911-154				
Matures:	2010	5.00%	1,100,000	
	2011	5.00%	1,100,000	
	2012	5.00%	1,100,000	
	2013	5.00%	1,100,000	
	2014	5.00%	1,100,000	
	2015	5.00%	1,100,000	
	2016	5.00%	1,100,000	
	2017	5.00%	1,095,000	
	2018	5.00%	<u>1,095,000</u>	
				\$9,890,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2009**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 4/1/08				
Amount Issued: \$13,440,000				
City Project # 911-156				
Matures:	2010	3.25%	3,685,000	
	2011	3.25%	2,855,000	
	2012	3.25%	2,030,000	
	2013	3.25%	<u>1,205,000</u>	
				\$9,775,000
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued \$9,435,000				
City Project # 911-158				
Matures:	2010	3.00%	575,000	
	2011	3.00%	575,000	
	2012	3.00%	575,000	
	2013	3.00%	860,000	
	2014	3.00%	860,000	
	2015	4.00%	860,000	
	2016	4.00%	855,000	
	2017	4.00%	855,000	
	2018	4.00%	855,000	
	2019	4.00%	855,000	
	2020	4.00%	855,000	
	2021	5.00%	<u>855,000</u>	
				\$9,435,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2009**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued: \$5,550,000				
City Project # 911-159				
Matures:	2010	2.00%	350,000	
	2011	2.00%	350,000	
	2012	2.25%	350,000	
	2013	2.50%	500,000	
	2014	3.00%	500,000	
	2015	3.00%	500,000	
	2016	3.25%	500,000	
	2017	3.50%	500,000	
	2018	3.50%	500,000	
	2019	3.60%	500,000	
	2020	3.80%	500,000	
	2021	4.00%	<u>500,000</u>	
				\$5,550,000
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued: \$1,310,000				
City Project # 911-160				
Matures:	2010	2.00%	440,000	
	2011	2.25%	435,000	
	2012	2.50%	<u>435,000</u>	
				\$1,310,000
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued: \$7,330,000				
City Project # 911-161				
Matures:	2010	1.15%	1,530,000	
	2011	1.55%	1,505,000	
	2012	1.70%	1,470,000	
	2013	2.10%	1,430,000	
	2014	2.50%	<u>1,395,000</u>	
				<u>7,330,000</u>
Total General Obligation Bonds				<u>99,945,000</u>

CITY OF SIOUX CITY, IOWA

SINGLE AUDIT SECTION

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2009

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
FEDERAL AWARDS					
DEPARTMENT OF COMMERCE -ECONOMIC DEVELOPMENT ADMINISTRATION					
Economic Adjustment Assistance	11.307	05-79-04339	\$ 569,436	\$ 262,272	\$ 191,653
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Community Development Block Grant Entitlement	14.218	B-06-MC-19-0006	1,944,078	218,726	-
	14.218	B-07-MC-19-0006	1,950,548	1,557,922	1,643,375
	14.218	B-08-MC-19-0006	1,876,878	-	142,079
Emergency Shelter Grant	14.231	S-06-MC-19-0002	82,915	-	3,000
	14.231	S-07-MC-19-0002	83,848	29,014	22,965
	14.231	S-08-MC-19-0002	84,042	73,494	75,778
Supportive Housing Program/Continuum of Care	14.235	IA 26B700006	113,452	80,043	78,035
	14.235	IA0004B7D000801	113,452	-	31,748
Home Investment Partnerships Program	14.239	M-07-DC-19-0207	513,980	187,533	216,251
Neighborhood Initiative Grant Program	14.251	B-08-NI-IA-0024	686,000	-	4,076
2009 Recovery Act Homeless Prevention	14.251	ARRA S09-MY-19-0002	779,497	-	2,525
Fair Housing Assistance Program	14.401	FF207K067018	57,900	-	2,695
	14.401	FF207K077018	36,300	-	36,300
	14.401	FF207K087018	41,960	41,960	27,685
Section 8 Voucher Program	14.871	IA018VO0122	4,598,415	4,598,415	4,676,632
Section 8 Voucher Program-FSS	14.871	IA018AF0023	64,588	64,588	115,482
Section 8 Voucher Program-Affordable Home Own	14.871	IA018AFHV05	64,587	64,587	77,373
Lead-Based Paint Hazard Control	14.907	ARRA IALHB0425-08	1,983,747	-	3,504
Passed through Iowa Department of Economic Development					
Community Development Block Grant/State Program and Non-Entitlement Grants	14.228	ARRA 08-NSP-021	1,158,426	-	6,964
U.S. DEPARTMENT OF JUSTICE					
Passed through Governor's Office of Drug Control Policy					
Byrne-Justice Assistance Grant (JAG) Program	16.738	07JAG/C06-A06	194,595	1,135	-
	16.738	08JAG/C06-A02	213,551	213,260	213,259
Passed through Woodbury County					
Byrne-Justice Assistance Grant (JAG) Program	16.738	07JAG/C06-A06	39,494	-	24,231
	16.738	2008-F6066-IA-DJ	13,250	13,250	13,250
U.S. DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program	16.607	2007BUBX06133806	2,060	2,060	2,060
Project Safe Neighborhoods	16.609	07-ND05	15,379	15,379	913
	16.609	08-ND05	11,927	5,054	8,266
	16.609	06PSNAG-ND05	17,491	5,650	788
	16.609	07PSNAG-ND05	23,379	12,878	10,492
Office of Community Oriented Policing	16.710	2007CKWX0217	390,784	203,234	186,319
	16.710	2007CKWX0008	498,597	372,820	272,038
	16.710	2008CKWX0043	350,738	35,157	116,436
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Aviation Administration					
Airport Improvement Project	20.106	AIP319008532	4,761,413	951,310	-
	20.106	AIP319008533	157,299	157,299	-
	20.106	AIP319008534	1,758,624	1,758,624	1,758,624
	20.106	AIP319008535	194,987	194,787	194,987
	20.106	AIP319008536	\$ 656,003	\$ 66,553	\$ 72,261

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2009

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
Passed through Iowa Department of Transportation					
Highway Planning and Construction	20.205	BRM7057(650)8N97	\$ 1,000,000	\$ 35,375	\$ 39,823
	20.205	BROS7057(632)8J97	1,000,000	35,088	36,622
	20.205	BROS7057(645)8J97	1,000,000	14,237	23,779
	20.205	HDP7057(628)7I97	4,732,334	7,895	17,751
	20.205	HDP7057(638)7I97	1,420,932	101,679	30,844
	20.205	HDP7057(640)7I97	1,585,255	79,263	-
	20.205	HDP7057(641)7I97	2,145,059	230,087	311,960
	20.205	HDP7057(643)7I97	3,011,788	27,959	29,430
	20.205	HDP7057(649)7I97	500,000	-	254,301
	20.205	HDP7057(652)7I97	438,165	21,908	-
	20.205	HDP7057(658)7I97	3,620,000	-	1,759,461
	20.205	STPA7057(647)8697	772,400	376,631	369,199
	20.205	STPESE7057(636)8I97	600,000	-	459,911
	20.205	STPU7057(629)7097	1,524,649	76,889	-
	20.205	STPU7057(644)7097	404,000	40,593	59,510
	20.205	STPU7057(656)7097	740,400	231,145	225,170
Surface Transportation Program	20.205	STPU7057(13)7097	1,278,377	4,912	-
	20.205	STPU7057(630)7097	2,097,600	14,912	15,696
	20.205	STPU7057(634)7097	1,003,872	-	12,520
	20.205	STPU7057(648)7097	880,000	8,535	9,406
	20.205	STPES7057(637)8I97	263,782	252,634	14,463
Transit JPA Capital Investment Assistance Prog	20.500	IA-04-0113-705-07	20,000	20,000	20,000
Transit JPA Transportation for Elderly/Disabled	20.513	IA-16-X001-705-09	64,345	64,345	64,345
FEDERAL TRANSIT ADMINISTRATION					
Transit Operating Assistance	20.507	IA90X336	1,350,676	1,350,676	-
	20.507	IA90X351	1,437,136	-	1,437,136
DEPARTMENT OF PUBLIC SAFETY					
Passed through Governor's Traffic Safety Bureau					
Alcohol Incentive Grant	20.601	PAP 08-410, Task 59	38,925	18,721	6,877
	20.601	PAP 09-410, Task 66	36,050	17,694	23,673
ENVIRONMENTAL PROTECTION AGENCY					
Passed through Department of Natural Resources					
Clean Water State Revolving Fund Program	66.458	CS192247 02	15,000,000	2,022,372	2,022,372
	66.458	CS192415 01	31,000,000	258,333	258,333
Drinking Water State Revolving Fund Program	66.468	PDDW0661	500,000	144,547	144,547
ENVIRONMENTAL PROTECTION AGENCY					
Brownfield Cleanup Revolving Loan Fund	66.811	BL98706401	22,374	4,845	3,104
Brownfield Cleanup Livestock Exchange Loan	66.818	BL98706401	364,756	308,805	279,282
Brownfield Petroleum Assessment	66.818	BF98763201	200,000	39,000	39,450
Brownfield Hazardous Substance Assessment	66.818	BF987633001	\$ 200,000	\$ 62,850	\$ 86,260

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2009

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY					
Urban Search & Rescue Task Force	97.004	2006-GE-T6-0065-010	\$ 325,000	\$ 62,249	\$ 81,220
	97.067	2005-GE-T5-56	527,698	1,005	-
	97.067	2007-GE-T7-0032-019	200,000	9,723	70,497
Law Enforcement Officer Reimbursement	97.090	HSTS0208HSLR274	540,047	87,642	98,543
OFFICE OF NATIONAL DRUG CONTROL POLICY					
High Intensity Drug Trafficking Area/HIDTA	N/A	15PMWP556Z	143,000	13	-
	N/A	16PMWP556Z	223,000	1	-
	N/A	17PMWP556Z	159,000	20,480	15,024
	N/A	18PMWP556Z	143,000	96,340	60,196
	N/A	G09MW0002A	\$ 142,700	34,344	77,310
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 17,370,731	\$ 18,690,059

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2009

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
STATE AWARDS					
IOWA DEPARTMENT OF CULTURAL AFFAIRS					
Cultural Enrichment		08-5678	\$ 16,000	\$ -	\$ 1,632
Iowa Great Places Grant Agreement		2009-6680	16,000	16,000	13,670
IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT					
Rebuild Iowa Infrastructure		06-F86-002	500,000	20,895	152,068
IOWA DEPARTMENT OF TRANSPORTATION					
STA Joint Participation Agreement		STA-FORM-705-FY08	271,654	9,888	-
		STA-FORM-705-FY09	274,540	274,540	274,540
		STA-IG-715-FY07	40,000	4,526	4,526
		STA-SPEC-705-FY09	36,827	-	856
Commercial Air Service Vertical Infrastructure		91090SUX135	20,000	8,624	20,000
		91090SUX100	14,318	14,318	14,318
		91070SUX200	109,430	95,869	-
		91080SUX200	109,688	109,688	89,706
I-29/Hamilton Blvd Interchange		IMN297(28)149OE97(ROW)	81,669	2,450	-
Keep America Beautiful		2009	3,000	3,000	750
Law Enforcement Personnel Agreement		DTSA20-03-P-01616-05	439,133	26,087	-
STATE HISTORICAL SOCIETY					
REAP/HRDP		08-073	8,580	-	7,658
STATE LIBRARY OF IOWA					
Enrich Iowa		FY2006 08/05	15,968	-	6,417
		FY2009 Direct Aid	19,749	19,749	19,749
IOWA DEPARTMENT OF NATURAL RESOURCES					
Regional Collection Center Grant		04-G592-02	77,121	2,712	-
Resource Enhancement & Protection (REAP)		06-RF-PL	\$ 100,000	100,000	-
TOTAL STATE FINANCIAL ASSISTANCE				<u>708,346</u>	<u>605,890</u>
TOTAL FEDERAL & STATE FINANCIAL ASSISTANCE				<u>\$ 18,079,077</u>	<u>\$ 19,295,949</u>

CITY OF SIOUX CITY, IOWA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

- (1) The reporting entity for purposes of the Schedule of Expenditures of Federal Awards is the same as used for reporting on the comprehensive annual financial report.
- (2) The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting.
- (3) The City administers various loan programs, including the collection of principal and interest, for the Federal government. The outstanding balances of these programs at June 30, 2009, are:

	<u>Balance</u>
CDBG loans	\$497,726
CDBG deferred loans	607,322

- (4) The City accepts and approves loan applications under the Section 312 loan program. However, the proceeds of loans from the Federal government and repayment to the Federal government are not administered by the City and are not included in the current year activity for purposes of the Schedule of Expenditures of Federal Awards.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

I. Summary of Auditor's Results

- a. Unqualified opinions were issued on the financial statements.
- b. A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements, including a material weakness.
- c. No noncompliance which is material to the financial statements was disclosed.
- d. A significant deficiency in internal control over major programs was disclosed.
- e. An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f. The Audit disclosed on audit finding which was required to be reported in accordance with OMB Circular A-133 section .510(a)
- g. Major programs:

Section 8 Housing Choice Vouchers	CFDA #14.871
Public Safety Partnership and Community Policing Grants	CFDA #16.710
Airport Improvement Grant	CFDA #20.106
Highway Planning and Construction	CFDA #20.205

- h. Dollar threshold used to distinguish between Type A and Type B programs
\$479,473
- i. The Auditee did not qualify as a low-risk auditee under Section .530 of OMB Circular A-133.

II. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards

Instances of Non-Compliance:

No matters were reported.
There were no prior year audit findings.

Significant Deficiency:

- II-A-09 Financial Reporting – It was found that journal entries were required to correct accounts payable and to properly capitalize fixed assets. Adjustments were subsequently made by the City to properly include these corrections in the financial statements.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

III. Findings Related to the Financial Statements Reported in Accordance with *Government Auditing Standards* – (Continued)

Recommendation – While we recognize that the benefits of internal controls must outweigh their cost and that no matter the complexity of controls that may be in place, the opportunity for calculation errors still exist. We recommend that the City implement additional reviews over accrual entries to ensure proper internal controls are present in all aspects of the financial reporting process.

Response – We will review our current procedures to identify where weaknesses are occurring and will take the necessary action to ensure proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

IV. Findings and Questioned Costs Relating to Federal Awards

Significant Deficiency:

CFDA Number 14.871: Section 8 Housing Choice Vouchers
Federal Award Year: 2009
U.S. Department of Housing and Urban Development

IV-A-09 Allowable Costs/Cost Principles- It was found that the assistance provided to a participant was calculated using an incorrect income amount.

Condition: While the above error was detected in the subsequent annual review process, other than selective random reviews on a monthly basis there are no controls or review processes in place which would detect incorrect assistance calculations by the analysts.

Recommendation: The City should implement procedures to allow for a review of all annual assistance calculations to ensure accuracy and propriety.

Response: The City will work on revising grant procedures to ensure that all assistance payment calculations are reviewed.

V. Summary Schedule of Prior Audit Findings –

V-A-08- Financial Reporting – Due to the delayed receipt of the actuarial report the City's OPEB liability was understated on the City's financial statements. It was found that during the process of recording accounts payable accrual entries that the City did not properly capitalize as fixed assets amounts of the expenses which were accrued as accounts payable at year end. Adjustments were subsequently made by the City to properly include these corrections in the financial statements.

Recommendation – While we recognize that the benefits of internal controls must outweigh their cost and that no matter the complexity of controls that may be in place, the opportunity for calculation errors still exist. We recommend that the City implement additional reviews over accrual entries to ensure proper internal controls are present in all aspect of the financial reporting process.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

VI. Summary Schedule of Prior Audit Findings (Continued) –

Response – We will review our current procedures to identify where weaknesses are occurring and will take the necessary action to ensure proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

VII. Other Findings Related to Required Statutory Reporting

09-VI-A – Certified Budget – City expenditures during the year ended June 30, 2009 did not exceed the amounts budgeted.

09-VI-B – Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

09-VI-C – Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations.

09-VI-D – Council Minutes – We noted no transactions requiring approval, which had not been approved by the City Council.

09-VI-E – Questionable Expenditures – We noted no questionable expenditures during our audit.

09-VI-F – Revenue Bonds – No violations of revenue bond resolutions were noted.

09-VI-G – Business Transactions – No business transactions between the City and City officials or employees were noted.

09-VI-H – Cash and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

CITY OF SIOUX CITY, IOWA
PASSENGER FACILITY CHARGES

PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
7/1/08 - 6/30/09

	FY-08 Program Total	Prior Quarter Corrections	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-09 Total	FY-09 Program Total
Revenue:								
Collections	3,032,250	-	29,594	35,635	33,611	23,723	122,563	3,154,813
Interest	1,676	-	-	-	-	-	-	1,676
Total Revenue	3,033,926	-	29,594	35,635	33,611	23,723	122,563	3,156,489
Disbursements:								
Application #1								
Taxiway C Extension	71,875	-	-	-	-	-	-	71,875
Snow Equip. & Fencing	38,347	-	-	-	-	-	-	38,347
Security Access	144,215	(81,412)	-	-	-	-	-	62,803
Snow Sweeper	21,000	-	-	-	-	-	-	21,000
Taxiway A & E	10,440	-	-	-	-	-	-	10,440
Total Application #1	285,877	(81,412)	-	-	-	-	-	204,465
Application #2								
Term. Access Road	493,138	-	-	-	-	-	-	493,138
Financing & Interest	243,428	-	-	-	-	-	-	243,428
Airfield Signage/Marking	61,160	-	-	-	-	-	-	61,160
Financing & Interest	30,316	-	-	-	-	-	-	30,316
Snow Removal Equip.	6,240	-	-	-	-	-	-	6,240
Runway 13/31 Rehab.	528,087	-	-	-	-	-	-	528,087
Financing & Interest	260,690	-	-	-	-	-	-	260,690
Total Application #2	1,623,059	-	-	-	-	-	-	1,623,059
Application #3								
Taxiway Alpha	134,515	-	-	-	-	-	-	134,515
Financing & Interest	53,363	-	-	-	-	-	-	53,363
Taxiway Echo	60,200	-	-	-	-	-	-	60,200
Financing & Interest	23,887	-	-	-	-	-	-	23,887
AirCarrier (SIDA) Ramp	246,600	-	-	-	-	-	-	246,600
Financing & Interest	87,322	10,484	-	-	-	-	-	97,806
Taxiway Bravo	15,400	-	-	-	-	-	-	15,400
Financing & Interest	6,058	-	-	-	-	-	-	6,058
Taxiway Charlie	28,026	111,174	-	-	-	-	-	139,200
Financing & Interest	55,204	-	-	-	-	-	-	55,204
Snow Plow (#29) Replace	20,990	-	-	-	-	-	-	20,990
Financing & Interest	8,327	-	-	-	-	-	-	8,327
Airport Master Plan	15,000	-	-	-	-	-	-	15,000
Financing & Interest	5,951	-	-	-	-	-	-	5,951
Taxiway A & E Constr. (impose)	25,899	(25,899)	-	-	-	-	-	-
Financing & Interest (impose)	14,348	(14,348)	-	-	-	-	-	-
Total Application #3	801,090	81,411	-	-	-	-	-	882,501
Application #4								
Taxiway Bravo	4,466	-	-	-	-	-	-	4,466
Financing & Interest	1,757	-	-	-	-	-	-	1,757
Taxiway Charlie & Air Carrier Ramp	38,325	-	29,594	35,635	8,328	-	73,557	111,882
Financing & Interest	44,373	-	-	-	-	-	-	44,373
Airport Master Plan	4,350	-	-	-	-	-	-	4,350
Financing & Interest	1,726	-	-	-	-	-	-	1,726
Snow Plow (#29) Replacement	6,087	-	-	-	-	-	-	6,087
Financing & Interest	2,415	-	-	-	-	-	-	2,415
Reconstruct Alpha South & Echo	58,021	-	-	-	-	-	-	58,021
Financing & Interest	23,018	-	-	-	-	-	-	23,018
Total Application #4	184,538	-	29,594	35,635	8,328	-	73,557	258,095
Application #5								
Terminal Concept Plan	8,149	-	-	-	-	-	-	8,149
Financing & Interest	2,119	-	-	-	-	-	-	2,119
Acquire and Modify Loading Bridge	49,230	-	-	-	-	-	-	49,230
Financing & Interest	12,800	-	-	-	-	-	-	12,800
Construct Terminal Entrance Road	-	1	-	-	25,283	23,723	49,006	49,007
Financing & Interest	19,893	-	-	-	-	-	-	19,893
Acquire Snow Removal Equipment	33,050	-	-	-	-	-	-	33,050
Financing & Interest	14,121	-	-	-	-	-	-	14,121
Rehabilitate Aircraft Parking Apron	-	-	-	-	-	-	-	-
Financing & Interest	-	-	-	-	-	-	-	-
Acquire Land for Runway 13 RPZ	-	-	-	-	-	-	-	-
Financing & Interest	-	-	-	-	-	-	-	-

PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
7/1/08 - 6/30/09

	FY-08 Program Total	Prior Quarter Corrections	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-09 Total	FY-09 Program Total
Acquire Replace Snow Plow Truck	-						-	-
Financing & Interest	-						-	-
Extend Taxiway C (include perimeter rc	-						-	-
Financing & Interest	-						-	-
Acquire Replacement Snow Blower	-						-	-
Financing & Interest	-						-	-
Total Application #5	139,362	1	-	-	25,283	23,723	49,006	188,369
Total Disbursements	3,033,926	-	29,594	35,635	33,611	23,723	122,563	3,156,489
Net PFC Revenue (rev. - disb.)								
PFC Account Balance	-	-	-	-	-	-	-	-

Notes:

1. Schedule is presented on the cash basis of accounting.

CITY OF SIOUX CITY, IOWA
REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A133



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**Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control over Compliance in
Accordance with OMB Circular A-133**

The Honorable City Council
of the City of Sioux City, Iowa:

Compliance

We have audited the compliance of the City of Sioux City, Iowa (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. - Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item IV-A-09.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Sioux City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item IV-A-09 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the members of the City Council, management and others within the City of Sioux City, Iowa, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Williamson & Company, P.C.
Certified Public Accountants

November 6, 2009
Sioux City, Iowa

CITY OF SIOUX CITY, IOWA
REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS



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**Report on Compliance and Other Matters and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

The Honorable City Council
of the City of Sioux City, Iowa:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa (the City) as of and for the year ended June 30, 2009 which collectively comprise the City's basic financial statements and have issued our report thereon dated November 6, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Sioux City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Sioux City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Sioux City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency and a material weakness.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Sioux City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of the City of Sioux City's financial statements that is more than inconsequential will not be prevented or detected by the City of Sioux City's internal control. We consider the deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item II-A-09 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by the City of Sioux City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is a material weakness.

The City of Sioux City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's response, we did not audit the City of Sioux City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the members of the City Council, management and others within the City of Sioux City, Iowa, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

William & Company P.C.
Certified Public Accountants

November 6, 2009
Sioux City, Iowa



**Schedule of Findings and Questioned Costs
Corrective Action Plan
June 30, 2009**

Department of Housing and Urban Development:

The City of Sioux City, Iowa, respectfully submits the following corrective action plan for the year ended June 30, 2009.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended June 30, 2009.

The findings from the June 30, 2009 Schedule of Findings and Questioned Costs are discussed below. The finding is numbered consistently with the number assigned in the schedule.

CFDA Number 14.871: Section 8 Housing Choice Vouchers

IV-A-09 Allowable Costs/Cost Principles – It was found that the assistance provided to a participant was calculated using an incorrect income amount.

Recommendation – The City should implement procedures to allow for a review of all annual assistance calculations to ensure accuracy & propriety.

Response – The City will work on revising internal grant procedures to ensure that all assistance payment calculations are reviewed to mitigate the risk that future errors may occur.

If the Department of Housing and Urban Development has questions regarding this plan, please call Donna Forker at 712-279-6230.

Sincerely yours,

CITY OF SIOUX CITY, Iowa

Donna Forker, Budget and Financial Manager

